



ARMENIAN ASSEMBLY OF AMERICA

734 15TH STREET, N.W. • SUITE 500 • WASHINGTON, DC 20005 • 202.393.3434 • FAX 202.638.4904

September 15, 2017

The Honorable Trey Gowdy, Chairman
The Honorable Elijah Cummings, Ranking Member
House Oversight and Government Reform
2471 Rayburn House Office Building
Washington, DC 20515

The Honorable Devin Nunes, Chairman
The Honorable Adam Schiff, Ranking Member
House Permanent Select Committee on Intelligence
Capitol Visitor Center HVC-304, US Capitol Building
Washington, DC 20515

Dear Chairmen Gowdy, Nunes and Ranking Members Cummings, Schiff:

We are writing to bring to your attention our serious concerns regarding Azerbaijan's attempts to undermine western democratic values and institutions, and the most recent revelations that it "operated [a] secret \$3bn slush fund," in Europe, as reported in a September 5, 2017 *BBC* article. The scheme has been labeled the "Azerbaijani Laundromat" because of the vast sums that passed through it were funds laundered by a series of shell companies. According to an investigation of the Azerbaijani Laundromat scheme published by the Organized Crime and Corruption Reporting Project (OCCRP), "from 2012 to 2014, even as the Azerbaijani government arrested activists and journalists wholesale, members of the country's ruling elite were using a secret slush fund to pay off European politicians, buy luxury goods, launder money, and otherwise benefit themselves."

According to the OCCRP report, Azerbaijan's money "bought silence." For example, the Parliamentary Assembly of the Council of Europe (PACE), which consists of 47 member states, voted down a human rights report criticizing Azerbaijan following efforts by Azeri officials to win the "hearts and minds" of the Council's members by giving luxurious gifts.

This explosive development follows previous reporting in the United States, including by *Bloomberg News* in a January 2017 article entitled "Azeri Oil Money Got a Pass from This Ethics Committee." The January 2017 article highlighted the fact that in May and June of 2013, while the laundromat scheme was in full swing, 11 Members of Congress and 32 congressional staffers visited Azerbaijan to attend a conference, which was supposedly hosted by two nonprofit organizations. "While in Baku, all the U.S. legislators received 'rugs of various sizes and value' as gifts, and some legislators and staffers also got crystal tea sets and silk scarves." However, it turned out that the nonprofits were essentially shell organizations as they received the money for the trip from the Azerbaijani state-owned oil company, Socar. In fact, one of the nonprofits,

which received \$750,000 from Socar, had only been set up one month prior to the conference. Also during the same period, and as reported by *RFE/RL*, the Azerbaijan American Alliance spent \$430,000 for its 2012 dinner in Washington, DC, and overall spent over \$12 million from 2011 to 2015.

Azerbaijan's caviar diplomacy is also amply documented in the December 2016 European Stability Initiative (ESI) report, wherein expensive watches, jewelry, computers, and large sums of money, among other gifts, were provided to several politicians from a number of countries in Europe. ESI states that "the ease with which democratic institutions and safeguards can be undermined has emerged as a fundamental threat to European democracy."

We should not turn a blind eye to Azerbaijan's out of bounds and corrupt influence on American democracy. Congress is familiar with the reasons why the Aliyev autocracy is trying to whitewash its human rights record, resolve the Nagorno Karabakh conflict by wiping out the Christian Armenian population, and ally itself against United States values. Azerbaijan's unprecedented April 2016 attacks against Nagorno Karabakh and Armenia, where its ISIS-style mutilations and beheadings of Armenians have gone without consequence, speak for themselves. The recent revelations only confirm the vast amounts being spent to corrupt officials from doing what their electorates expect.

On Wednesday, the European Parliament – voting 578 to 19 with 68 abstentions – condemned Azerbaijan's attempts to influence decision makers through illicit means and authorized a deeper investigation of its behavior. We urge your respective committees to do no less in factoring these new revelations in your ongoing investigations.

Sincerely,



Anthony Barsamian
Co-Chair, Board of Trustees



Van Z. Krikorian
Co-Chair, Board of Trustees