

U.S. House of Representatives  
Committee on Foreign Affairs

Hearing : Religious Freedom, Democracy, Human Rights in Asia: Status of Implementation of the  
Tibetan Policy Act, Block Burmese JADE Act, and North Korea Human Rights Act

June 2, 2011

10:00 AM, Rayburn House Office Building Room 2172

Testimony of Aung Din  
Executive Director, U.S. Campaign for Burma

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**Chairwoman Ros-Lehtinen, Ranking Member Berman and Members of the Committee,**

Thank you very much for holding this hearing today. Last week, the Chinese government hosted leaders from North Korea and Burma in Beijing. Burmese President Thein Sein secured a more than 760 million dollars interest-free loan and line of credit from China. Kim Jong IL also received financial and moral support from the Chinese government. With the strong backing and blessing from China, Thein Sein and Kim Jong IL continue their oppression against their own citizens unabated. I believe they have also learned from their big brother how it controls its own population under severe restrictions and how it brutalizes the innocent people of Tibet. I would like to take this opportunity to thank the United States for being a reliable and trustworthy friend of the people under the oppressive regimes in Burma, North Korea, and Tibet and all over the world, who have been challenging authoritarian regimes for freedom, justice and democracy.

Since 2003, in response to the systematic and egregious human rights violations in Burma and an attempt to assassinate Burma's democracy leader Daw Aung San Suu Kyi, the United States Congress has imposed a set of comprehensive sanctions on the Burmese regime with the 2003 Burmese Freedom and Democracy Act (BFDA). In 2008, in response to the regime's brutal crackdown on the peaceful protests in September 2007, led by hundreds of thousands of Buddhist monks and lay peoples known as the Saffron Revolution, the U.S. Congress strongly condemned the regime and strengthened existing sanctions with the Tom Lantos Block Burmese JADE Act (The JADE Act). So far, the measures taken by the United States against the Burmese regime include visa restrictions, a ban on U.S. investment in Burma, a ban on imports from Burma, blocking of all property and interests in property of certain personnel of the regime, a ban on the exportation and re-exportation to Burma of financial services from the U.S. persons and entities, a ban on importation of jadeite and rubies mined or extracted from Burma, objection of loan and assistance to the regime from the international financial institutions where the United States holds a major share, and targeted financial sanctions on certain individuals designated by the Department of Treasury.

Last week, resolutions (S.J. Res. 17 and H.J. Res. 66) to renew existing sanctions imposed on Burma were introduced in both the Senate and House. I am here today to call for Members of Congress to support the extension of sanctions on Burma with the quick passage of the renewal of the import restrictions contained in the Burmese Freedom and Democracy Act, as the situation in my country does not yet meet the conditions set forth in the Tom Lantos Block Burmese JADE Act 2008 or the Burmese Freedom and Democracy Act of 2003.

The JADE Act stipulates the necessary conditions to terminate the sanctions clearly. Congress authorizes the President to terminate the sanctions if the President determines and certifies to the appropriate congressional committees that the military regime has (1) unconditionally released all political prisoners, (2) entered into a substantive dialogue with democratic forces led by the National League for Democracy and the ethnic minorities of Burma on transition to democratic government under the rule of law; and (3) allowed humanitarian assistance to populations affected by armed conflict in all regions of Burma.<sup>1</sup> Sadly, these conditions are not yet met as of today.

Almost all of the generals who have held power over the last twenty years are still doing so under the veneer of civilian rule. There are still more than 2,000 political prisoners, who are being incarcerated in prisons for many years for their belief in democracy. There are still more than two million refugees and illegal immigrants in neighboring countries who are forced to flee Burma to avoid political, ethnic and religious persecutions as well as economic hardship. There are still about a half million ethnic people who are hiding in jungles and mountains inside the country to avoid being killed by Burmese soldiers. More than 3,700 villages have been destroyed or burned down in eastern Burma by the regime between 1995 and 2010 in its decades-old military campaign against ethnic minorities. There are still tens of thousands of child soldiers within the Burmese Army. Basic freedoms such as the freedom of press, freedom of association, freedom of religion and Internet freedom are still restricted. People are not allowed to express their opinion without the risk of arrest, torture and imprisonment. The gap in the country between the powerful and the powerless, the rich and the poor, the privileged and the disenfranchised continues wider, unattended, and unabated. Burma has not changed at all.

Therefore, I strongly call on the U.S. Congress not only to approve the renewal of sanctions on Burma, but also to strengthen it and fully implement it. Let me explain.

### **More Targets for Financial Sanctions**

The JADE Act has imposed targeted financial sanctions on former and present leaders and officials of the regime, current or former officials of the security services and judicial institutions of the regime, and **any other Burmese persons who provide substantial economic and political support for the regime**, as well as their family members. The Department of Treasury has added names and entities of the Burmese persons under targeted sanctions in its Specially Designated Nationals (SDN) list. However, the cronies targeted by the Department of Treasury are much fewer in number than those who are sanctioned by the governments of Australia and the European Union. Australia also has imposed targeted financial sanctions on more than 400 individuals and entities, including the regime officials, families, and business cronies. The EU does not impose financial sanctions on Burma yet. But the EU has imposed visa restrictions on more than 400 individuals, including **nearly 60 cronies who benefit from the regime's economic policies and other persons associated with the regime**. Many business cronies, who are under Australian and EU sanctions, are still at large from the U.S. targeted financial sanctions. Let me state a few names as follows.

- (1) Aung Ko Win (aka) Saya Kyaung (Kambawza Bank and Myanmar Billion Group) (Owner of Kanbawza United Professional Soccer Club)
- (2) Kyaw Win (Shwe Than Lwin Trading)

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<sup>1</sup> Tom Lantos Block Burmese Jade Act 2008; Section (5), Subsection (h)

- (3) Maung Maung Myint (Myangon Myint Co. Ltd., USDP)
- (4) Maung Ko (Htarwara Mining Company)
- (5) Aung Htwe (Golden Flower Company Ltd.)
- (6) Kyaw Myint (Golden Flower Company Ltd.)
- (7) Nay Win Tun (Ruby Dragon Jade and Gems Co. Ltd.)
- (8) Eike Htun (aka) Ayke Htun (aka) Aik Tun (Olympic Construction Company and Asia Wealth Bank)
- (9) Aung Myat (aka) Aung Myint (Mother Trading and Construction)
- (10) Win Lwin (Kyaw Tha Company and Kyaw Tha Construction Group)
- (11) Dr. Sai Sam Htun (Loi Hein Company) (Owner of Yadanarbon United Professional Soccer Club)
- (12) San San Yee (Super One Group of Company)
- (13) Aung Zaw Ye Myint (Yetagun Construction Company)
- (14) Sit Taing Aung (Aung Yee Phyo Co., Suntac International Trading Co. Ltd) (Son of former Minister of Forestry U Aung Phone)
- (15) Sit Thway Aung (Aung Yee Phyo Co., Suntac International Trading Co. Ltd) (Son of former Minister of Forestry U Aung Phone)
- (16) Nay Soe (Son of former Prime Minister General Soe Win)
- (17) Lwin Moe (Actor and owner of a Mining Company)
- (18) Nay Aung, (International Group of Entrepreneur Co. Ltd.) (Son of former minister U Aung Thaug, now Secretary of USDP)
- (19) Pyi Aung, (International Group of Entrepreneur Co. Ltd.) (Son of former minister U Aung Thaug, now Secretary of USDP)
- (20) U Win Myint (Former Chairman of UMFCCI) (Owner of Zayar Shwe Myay Professional Soccer Club)
- (21) Aung Kyaw Moe (International Brewery Trading Co.) (Owner of Okkthar United Professional Soccer Club)
- (22) U Khin Soe (Anwar Hlwan Co. Ltd.)
- (23) Htun Naing Shwe (Myanmar Naing Group) (Son of Than Shwe)
- (24) Nay Lin Aung (Nilar Yoma Trading Co. Ltd.)
- (25) Aung Zaw Naing (Shwe Taung Development Ltd.)
- (26) Zaw Win Tun (Shwe Than Lwin Co. Ltd.)
- (27) Zaw Lay (Fishery and Sea Products Co. Ltd.)
- (28) Toe Naing Mann (Red Link Co. Ltd) (Son of General Thura Shwe Mann)
- (29) Nay Shwe Thway Aung (Grandson of Than Shwe)
- (30) Zaw Win Shaine (Ayeyar Hintha Co., Ltd.) (Owner of Delta United Professional Soccer Club)

### **Target the Regime's Propaganda Mouthpieces and Political Supporters**

The financial sanctions should also target cronies who are providing the regime with political and propaganda support. For many years, the regime has carried out a campaign, called "Attack the Media with Media" to counter international criticism against its illegal rule through international media and foreign-based radio services. The regime's minister of information Kyaw Hsan is the key figure for this campaign. In addition to the regime-owned newspapers and TVs and radio stations, Kyaw Hsan allows some of the regime's cronies to set up media companies, and produce publications of journals and magazines as well as broadcasting of FM radio stations, carrying and promoting the regime's propaganda work. As these publications and broadcasts are in favor of the regime's policies and actions,

they are free from censorship and therefore receive more commercial advertisement from the business community than any other publications. These publications and broadcasters portray the military as the one and only Institution that can save the country from disintegration, attack Daw Aung San Suu Kyi and the democracy movement as the puppets of western powers, denounce international pressure on the regime as unfair and biased, and praise China, Russia and Cuba as true friends of Burma. Some of these cronies are:

- (1) Dr. Tin Tun Oo (Myanmar Times, Pyi Myanmar)
- (2) Dr. Nay Win Maung (Living Color, The Voice)
- (3) Myat Khaing (Snap Shot)
- (4) Zinyaw Maung Maung (Envoy)
- (5) Zaw Min Aye (Moe San Pann Media Company) (Son of Lt-Gen Tin Aye)
- (6) Kalayar (Popular, Popular News) (Daughter of Lt-Gen Win Myint)
- (7) Myo Aung (Northern Star)

### **Banking Sanctions Should Be Implemented**

However, financial sanctions alone will not hurt the regime and cronies substantially enough. Over time, they find ways to avoid U.S. financial sanctions by moving their assets to other countries, using the Euro instead of American dollars, engaging with some intermediaries to make U.S. dollar transactions, and setting up front companies to cover up their real identities and businesses. When the U.S. started to take action against known regime crony Tay Za and his business empires in 2007, the business community in Burma was shocked and frightened. Air Bagan, owned by Tay Za, ceased its flights between Rangoon and Singapore as Singapore banks asked it to close its accounts in Singapore. However, Air Bagan flights between Bangkok-Rangoon and Nay Pyi Taw-Chaing Mai continue still in Thailand. Apparently, U.S. financial sanctions on Tay Za are not enough to stop Thai bankers from doing business with him. These cronies have established offices and bank accounts in Singapore, Thailand, Malaysia, Brunei, and China, and are doing business uninterrupted.

Therefore, it is crucial that the banking sanctions contained in the JADE Act should be implemented. The additional banking sanctions that authorizes the Department of Treasury to “prohibit or impose conditions on the opening or maintaining in the United States of a correspondent account or payable-through account by any financial institution or financial agency that is organized under the laws of a State, territory, or possession of the United States, for or on behalf of a foreign banking institution if the Secretary determines that the account might be used- (A) by a foreign banking institution that holds property or an interest in property belonging to the persons designated in the SDN list; or (B) to conduct a transaction on behalf of the persons designated in the SDN list,”<sup>2</sup> have not yet been implemented. If implemented, this would be an effective threat to the regime and its cronies and foreign banks that manage their money.

In Foreign Policy Magazine, Graeme Robertson wrote that “dictatorships don't just run themselves”. He said “performing the basic tasks expected of even a despotic government -- establishing order, levying taxes, controlling borders, and overseeing the economy -- requires the cooperation of a whole range of

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<sup>2</sup> Tom Lantos Block Burmese Jade Act of 2008, H.R. 3890, Section 5. Sanctions, (c) Authority for Additional Banking Sanctions

players: businessmen, bureaucrats, leaders of labor unions and political parties, and, of course, specialists in coercion like the military and security forces. And keeping them all happy and working together isn't any easier for a dictator than it is for a democrat.”<sup>3</sup> As he correctly puts it, the dictators in Burma, the military and its proxy party, USDP, do not run the country themselves alone. They are fully supported by business cronies who are allowed control over entire sectors of the country’s economy, trade, and natural resources in exchange for allegiance and wealth-sharing with the generals. They are like Ruhr industrialist Fritz Thyssen, who supported and funded Hitler and his Nazi party in Germany before the Second World War.<sup>4</sup> The United States should identify cronies like Fritz Thyssen in Burma and imposed financial and banking sanctions on them. That will be the best way to cut economic lifeline of the generals and further prevent them from stealing from the people.

## **Conclusion**

On February 8, 2011, the National League for Democracy issued a paper, “A Review on Sanctions Imposed on Burma”. It stated as follows; “It has been further alleged that financial sanctions are ineffective and poorly targeted. In actual fact only members of the military junta and their associates have been denied access to the United States’ financial system and since the average Burmese citizen does not have a bank account it can be asserted that these measures do not hurt the public at large. Financial sanctions have also prevented, albeit imperfectly, the laundering of black money and the siphoning off of revenues from the sale of gas and other natural resources. Targeted sanctions serve as a warning that acts contrary to basic norms of justice and human rights cannot be committed with impunity even by authoritarian governments.”

To sum up, I would like to suggest the U.S. to do the following:

- (1) The ban on imports from Burma should be extended one more year, with a quick passage of the renewal of the Burmese Freedom and Democracy Act.
- (2) The financial sanctions contained in the JADE Act should be expanded, targeted more and strengthened.
- (3) The authority of additional banking sanctions contained in the JADE Act should be implemented.

Thank you,

Aung Din  
Executive Director  
U.S. Campaign for Burma

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<sup>3</sup> Think Again: Dictators, by Graeme Robertson, Foreign Policy May/June 2011, Page 36

[http://www.foreignpolicy.com/articles/2011/04/25/think\\_again\\_dictators](http://www.foreignpolicy.com/articles/2011/04/25/think_again_dictators)

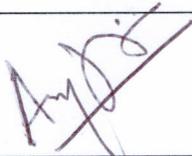
<sup>4</sup> Book Review: German Big Business and the Rise of Hitler, by Henry Ashby Turner, Jr, reviewed by John M. Ries,

[http://www.ihr.org/jhr/v08/v08p369\\_Ries.html](http://www.ihr.org/jhr/v08/v08p369_Ries.html)

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Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee require the disclosure of the following information. A copy of this form should be attached to your written testimony and will be made publicly available in electronic format, per House Rules.

<b>1. Name:</b>  Aung Din	<b>2. Organization or organizations you are representing:</b>  U.S. Campaign for Burma
<b>3. Date of Committee hearing:</b>  June 2, 2011	
<b>4. Have <u>you</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?</b>	<b>5. Have any of the <u>organizations you are representing</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?</b>
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>6. If you answered yes to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.</b>	
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