

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Sanctions Individuals and Entities In Connection with Russia's Occupation of Crimea and the Conflict in Ukraine

12/20/2016

Action Designates Seven Individuals and Eight Entities and Identifies 26 Subsidiaries of the Russian Agricultural Bank and Novatek

WASHINGTON – To maintain the effectiveness of existing sanctions, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today designated seven individuals and eight entities under two Executive orders (E.O.s) related to Russia and Ukraine, and identified two vessels as blocked property. Today's action is part of Treasury's continued effort to counter attempts to circumvent these sanctions. The United States remains steadfast in our commitment to maintain sanctions until Russia fully implements its commitments under the Minsk agreements. This action underscores the U.S. government's opposition to Russia's occupation of Crimea and our firm refusal to recognize its attempted annexation of the peninsula. These sanctions follow the European Union's extension on Monday of sanctions and reinforce our continued unity in supporting Ukraine's sovereignty and territorial integrity.

As a result of today's action, any property or interest in property of the designated persons in the possession or control of U.S. persons or within the United States must be blocked. Additionally, transactions by U.S. persons involving these persons, or the vessels identified as blocked, are generally prohibited.

"Today's action is in response to Russia's unlawful occupation of Crimea and continued aggression in Ukraine," said John E. Smith, Acting OFAC Director. "These targeted sanctions aim to maintain pressure on Russia by sustaining the costs of its occupation of Crimea and disrupting the activities of those who support the violence and instability in Ukraine."

Today OFAC also identified 26 subsidiaries that are owned 50 percent or more by previously sanctioned Russian companies to provide additional information to assist the private sector with sanctions compliance.

Designations Regarding Russian Officials and their Supporters (E.O. 13661)

Today's action targets seven individuals pursuant to E.O. 13661, which authorizes sanctions against, among others, any individual or entity that has acted for or on behalf of, or supported, an individual or entity previously designated under this E.O. or a senior Russian government official, and on any person operating in the arms or related materiel sector in the Russian Federation.

Kirill Kovalchuk, Dmitri Lebedev, Dmitri Mansurov, Mikhail Klishin, Oleg Minaev, and Mikhail Dedov are being designated under E.O. 13661 for acting for or on behalf of and providing financial, material, or technological support to Bank Rossiya, ABR Management, or Sobinbank. Each of these individuals holds an executive position within Bank Rossiya or ABR Management or Sobinbank, two of the bank's affiliates. Bank Rossiya was designated on March 20, 2014, for providing material support to a senior official of the Russian Federation and for being controlled by designated inner circle member Yuri Kovalchuk. ABR Management, the asset manager for Bank Rossiya, was designated on September 1, 2016, for acting for or on behalf of, and providing material support to, Bank Rossiya. Sobinbank was designated on April 28, 2014 for being owned or controlled by Bank Rossiya.

Yevgeniy Prigozhin is being designated under E.O. 13661 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, senior officials of the Russian Federation. Prigozhin has extensive business dealings with the Russian Federation Ministry of Defense, and a company with significant ties to him holds a contract to build a military base near the Russian Federation border with Ukraine. Russia has been building additional military bases near the Ukrainian border and has used these bases as staging points for deploying soldiers into Ukraine.

Designations Regarding Crimean Entities (E.O. 13685)

Today's action also targets the following four construction and transportation entities pursuant to E.O. 13685, which authorizes sanctions against, among others, any person determined to operate in the Crimea region of Ukraine. The four entities listed below are designated because they operate in the Crimea region of Ukraine.

Institut Stroiproekt, AO is a Russian Federation company working on the construction of highway segments for the Kerch Bridge project. The main purpose of the planned highway is to provide transport links between the Crimean peninsula and mainland Russian Federation, as well as between the territory of the developing dry cargo area of Taman Port and the highway transport network of the Krasnodar region.

Karst OOO is a Russian Federation company that was subcontracted to make foundational piling and supports for the Kerch Bridge. The project uses money funded through a Russian Federation federal budget initiative for development in Crimea.

Crimean Railway is a Russian Federation-sponsored enterprise operating rail systems throughout the region of Crimea. It is an enterprise of the Russian Federation that facilitates the development of railways in the Crimean peninsula. It has received Russian Federation-allocated funds for the maintenance of railways operating in Crimea.

Crimean Ports is an entity run by the so-called Republic of Crimea Ministry of Transportation that organizes and maintains maritime safety in sea ports and on the approaches to ports throughout the Crimean region. It has branches at key ports throughout the region of Crimea.

OFAC is also designating four companies because they materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of,

OJSC Sovfracht, which was previously designated under E.O. 13685 for being owned or controlled by an entity operating in Crimea. St. Petersburg, Russia-based vessel operator **Transpetrochart Co Ltd**, Samara, Russia-based vessel operator **Trans-Flot JSC**, Novorossiysk, Russia-based fuel supplier **Solid Ltd.**, and Temryuk, Russia-based fuel supplier **LLC RusChemTrade** worked with **OJSC Sovfracht** on fuel shipments in 2015 and 2016.


Temryuk is located across the Kerch Strait from Kerch, Crimea, and is the site of a ferry from Port Kavkaz in Temryuk, Krasnodar to Port Krym in Kerch.

OFAC is identifying the "Marshal Zhukov" and "Stalingrad" as property in which **Trans-Flot JSC**, an entity being designated today, has an interest. Both vessels had a role in fuel shipments on behalf of **OJSC Sovfracht** in 2015 and 2016, and the "Marshal Zhukov" traveled frequently to and from Kerch, Crimea in 2016.

In conjunction with these OFAC designations pursuant to E.O.s 13661 and 13685, the Department of Commerce is in the process of finalizing a companion rule for publication that will amend its Entity List (Supplement No. 4 to part 744 of the Export Administration Regulations) to add several entities that are being designated by OFAC or which are subsidiaries of Russian entities currently listed.

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Identifications Under the Sectoral Sanctions Identification List (E.O. 13662)

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Today, OFAC also identified a number of subsidiaries of the Russian Agricultural Bank and Novatek as being 50 percent or more owned by their respective parent entities, both of which were designated pursuant to E.O. 13662. Russian Agricultural Bank was originally designated on July 29, 2014 and is subject to Directive 1, which prohibits U.S. persons from dealing in new debt of greater than 30 days maturity and new equity of the sanctioned entities. Novatek was designated on July 16, 2014 and is subject to Directive 2, which prohibits U.S. persons from dealing in new debt of greater than 90 days maturity of the sanctioned entities.

The subsidiaries identified today were already subject to the same restrictions as their respective parent entities per OFAC's Revised Guidance on Entities Owned by Persons Whose Property and Interests in Property Are Blocked ("50 percent rule guidance"), which can be found [here](#) . These identifications will help the public more effectively comply with the sanctions on Russian Agricultural Bank and Novatek.

Concurrent with today's action, OFAC is also issuing a general license to authorize certain transactions with FAU Glavosekspertiza Rossii. To see the general license, click [here](#) .

For the identifying information related to today's action, click [here](#).

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