

Treasury Targets Financier's Illicit Sanctions Evasion Activity

July 15, 2020

WASHINGTON – Today, the Department of the Treasury's Office of Foreign Assets Control (OFAC) took further action as part of its ongoing sanctions efforts regarding financier Yevgeniy Prigozhin (Prigozhin), by targeting entities located in Sudan, Hong Kong, and Thailand that have enabled his ability to evade U.S. sanctions. The actors targeted today have directly facilitated Prigozhin's global operations and attempted to suppress and discredit protestors seeking democratic reforms in Sudan.

“Yevgeniy Prigozhin and his network are exploiting Sudan's natural resources for personal gain and spreading malign influence around the globe,” said Secretary Steven T. Mnuchin. “The United States remains committed to holding him and other bad actors accountable so Sudan and other countries can operate freely.”

Prigozhin is the financier of the Internet Research Agency (IRA), the Russian troll farm that was designated by OFAC in 2018. Prigozhin is also believed to be the financier behind Private Military Company (PMC) Wagner, a designated Russian Ministry of Defense proxy force. PMC Wagner's activities in other countries, including Ukraine, Syria, Sudan, and Libya, have generated insecurity and incited violence against innocent civilians. Due to his involvement in these activities and his connections to the Russian government, Prigozhin has been designated pursuant to Executive Orders (E.O.s) [13848](#), [13694](#), [as amended](#), and [13661](#).

While his activities span the globe, Prigozhin's role in Sudan highlights the interplay between Russia's paramilitary operations, support for preserving authoritarian regimes, and exploitation of natural resources. During his 30-year tenure, former Sudanese President Omar al-Bashir increased economic and security cooperation with Russia, receiving military assistance and offering agreements spanning some of Sudan's most lucrative sectors such as oil, natural gas, agriculture, and gold. The Sudanese people peacefully ousted Bashir in April 2019, forming a civilian-led transition government that has taken steps to increase equality amongst the Sudanese people and respect for human rights. Today's actions are measures to prevent Prigozhin's interference with Sudan's democratic transition and allow the new government an opportunity to regain control of Sudan's national assets.

SANCTIONS TARGETS

Today's action targets three individuals and five entities directly involved in furthering Prigozhin's operations in Sudan and assisting his ability to evade sanctions pursuant to E.O.s 13848; 13694, as amended; and 13661.

SUDAN RELATED TARGETS

M Invest is a Russia-based entity that is owned or controlled by Prigozhin. M Invest serves as a cover for PMC Wagner forces operating in Sudan, and was responsible for developing plans for former Sudanese President Omar al-Bashir to suppress protestors seeking democratic reforms. M Invest's plans advocated for the use of social media-enabled disinformation campaigns similar to those deployed by the IRA, and the staging of public executions to distract protestors seeking reforms. In addition, in 2017, M Invest was awarded concession agreements to explore gold mining sites in Sudan during a 2017 summit between the Russian and Bashir-led Sudanese governments. To oversee its activities on the ground, M Invest relies upon its subsidiary, **Meroe Gold**. M Invest also depends upon two key individuals to carry out its activities: **Andrei Mandel** (Mandel) and **Mikhail Potepkin** (Potepkin). Mandel serves as M Invest's Director General, while Potepkin, who previously was an employee of the IRA, is M Invest's and Meroe Gold's Regional Director based in Sudan.

M Invest is being designated for being owned or controlled by Prigozhin, while Meroe Gold is being designated for being owned or controlled by M Invest. Mandel is being designated for having acted for or on behalf of M Invest. Potepkin is being designated having acted for or on behalf of M Invest and Meroe Gold.

FINANCIAL FACILITATION TARGETS

To expand his global operations, Prigozhin relies upon a vast network of financial facilitators and front companies to enable his ability to evade sanctions and transact in U.S. dollars despite being blocked from the U.S. financial system.

Between 2018 and 2019, Thailand and Hong Kong-based entities, **Shine Dragon Group Limited**, **Shen Yang Jing Cheng Machinery Imp&Exp. Co.**, and **Zhe Jiang Jiayi Small Commodities Trade Company Limited**, facilitated over 100 transactions exceeding \$7.5 million that were sent in the interest of Prigozhin. These funds supported his activities in Sudan and maintenance of his private aircraft, which were identified as blocked property by OFAC on September 30, 2019.

Shine Dragon Group Limited sent over \$6.5 million to M Invest, while all three companies were responsible for making numerous payments totaling over \$800,000 for Prigozhin's private aircraft. Prior to their identification, Prigozhin's aircraft were known to operate in several countries throughout the Middle East and Africa, including Syria, Libya, and Sudan, where he has sought to extend his influence. Throughout the course of this financial activity, **Igor Lavrenkov** (Lavrenkov) was the director and owner of Shine Dragon Group Limited, and was personally involved in establishing the company's relationship with M Invest. Lavrenkov is also a director at both Shen Yang Jing Cheng Machinery Imp&Exp. Co. and Zhe Jiang Jiayi Small Commodities Trade Company Limited, while Shine Dragon Group Limited owns both entities.

Shine Dragon Group Limited, Shen Yang Jing Cheng Machinery Imp&Exp. Co., Zhe Jiang Jiayi Small Commodities Trade Company Limited, and Lavrenkov are being designated for having materially assisted Prigozhin.

As a result of today's designations, all property and interests in property of these persons that are or come within the possession of U.S. persons are blocked, and U.S. persons are generally prohibited from engaging in transactions with them. Additionally, any entities 50 percent or more owned by one or more of these designated persons are also blocked. Non-U.S. persons that engage in certain transactions with the persons designated today may themselves be exposed to sanctions.

[Identifying information on the individuals and entities designated today.](#)

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