

Treasury Imposes Sanctions on Petroleum Network, Senior Syrian Officials, and Syrian Entities

November 9, 2020

Washington – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) took action against Syrian military officials, members of the Syrian Parliament, Government of Syria entities, and Syrian and Lebanese persons attempting to revive Syria’s deteriorating petroleum industry. Specifically, OFAC added seven individuals and 10 entities to the Specially Designated Nationals and Blocked Persons List, pursuant to Syria sanctions authorities. These sanctions focus on individuals and entities that provide support to the Bashar al-Assad (Assad) regime’s oil production network.

“The Treasury Department is determined to continue to apply economic pressure on the Assad regime and its supporters for the repression conducted by the regime,” said Secretary Steven T. Mnuchin.

This action is the Treasury Department’s fifth round of Syria-related actions since the provisions of the Caesar Syria Civilian Protection Act of 2019 (Caesar Act) came into full effect. Today’s action complements the international effort to compel the Assad regime to cease the war it is waging against its own people and reinforces the U.S. government’s continued effort to achieve a peaceful, political resolution of the Syrian conflict in line with UN Security Council Resolution 2254. With these actions, the U.S. government is endeavoring to disrupt and dissuade regime loyalists from continuing to support Assad and to hamper the flow of future oil-derived revenue to Assad’s war chest.

Concurrent with the Treasury Department’s designations, the State Department took action today against two Syrian persons pursuant to Section 2 of Executive Order (E.O.) 13894, “Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Syria.”

SYRIAN PETROLEUM SECTOR TARGETS

Today, OFAC designated **Arfada Petroleum Private Joint Stock Company** (Arfada) and **Sallizar Shipping SAL** (Sallizar), two companies based in Syria and Lebanon, respectively, that have entered into substantial contracts with the Government of Syria to develop the Syrian oil sector. Arfada and Sallizar together hold an 85 percent ownership stake in two joint ventures with the **Syrian Ministry of Petroleum and Mineral Resources** (Syrian Ministry of Petroleum) and the **Public Establishment for Refining and Distribution** (PERD) to establish two new oil refineries in Syria: **Al-Resafa Refinery Company Private JSC** and **Coastal Refinery Company Private JSC**. Al-Resafa Refinery Company Private JSC plans to establish, operate, and manage a heavy crude oil refinery in Syria's Raqqa province. Coastal Refinery Company Private JSC plans to establish, operate, and manage a condensate oil refinery in Tartus, Syria. As parties for the Government of Syria, the Syrian Ministry of Petroleum and PERD hold the remaining 15 percent in each of the newly established refinery companies. Arfada and Sallizar have further reached an agreement with the Syrian Ministry of Petroleum and PERD to develop and expand the Tartus oil terminal.

The Syrian Ministry of Petroleum is a government entity that oversees the country's oil and natural gas sectors. It sets the policy priorities and coordinates the efforts of the state-led companies that operate in the sector. In 2009, PERD was established by the Syrian Ministry of Petroleum to oversee and regulate the refining and distribution of oil products in Syria, and to act as the parent company of all state-owned refineries and oil distribution companies. PERD oversees the operations of the Baniyas Refinery Company and the Homs Refinery Company, which were identified by OFAC as part of the Government of Syria in 2014.

Arfada and Sallizar were designated pursuant to E.O. 13582, "Blocking Property of the Government of Syria and Prohibiting Certain Transactions With Respect to Syria," for materially assisting, sponsoring, or providing financial, material, or technological support for, or goods or services in support of, the Government of Syria. Arfada and Sallizar were also designated today pursuant to the Caesar Act for knowingly providing significant financial, material, or technological support to, or knowingly engaging in significant transactions with the Government of Syria. Arfada is additionally being identified for being owned in the aggregate, directly or indirectly, 50 percent or more by OFAC designated Muhammad al-Qatirji and his brother **Hussam Bin Ahmed Rushdi al-Qaterji** (Hussam al-Qaterji), who was designated today by OFAC. OFAC identified the Syrian Ministry of Petroleum and PERD as part of the Government of Syria as set forth in E.O. 13582 and the Syrian Sanctions Regulations, 31 C.F.R. Part 542. The Al-Resafa Refinery Company Private JSC and Coastal Refinery

Company Private JSC were identified for being owned in the aggregate, directly or indirectly, 50 percent or more by Arfada, Sallizar, and PERD.

OFAC today also sanctioned Hussam al-Qaterji, a Syrian businessman and 33 percent shareholder of Arfada. Hussam al-Qaterji is known as the godfather of the regime's oil and wheat trade with the Islamic State of Iraq and Syria (ISIS). Beginning in 2014, Hussam al-Qaterji started brokering oil and wheat trade deals between the Assad regime and ISIS. Hussam al-Qaterji has been a Member of Parliament for the government-controlled area of Aleppo since 2016. In 2018, OFAC designated Hussam al-Qaterji's brother Muhammad al-Qatirji pursuant to E.O. 13852 for facilitating fuel trade between the Assad regime and ISIS, including providing oil products to ISIS-controlled territory.

Hussam al-Qaterji was designated pursuant to E.O. 13573, "Blocking Property of Senior Officials of the Government of Syria," for being a senior official of the Government of Syria.

OFAC additionally designated **Kamal Imad al-Din al-Madani** (Kamal al-Madani) and **Tariq Imad al-Din al-Madani** (Tariq Al-Madani), two of the four founders of Sallizar. Kamal al-Madani represented Sallizar in its agreements with the Government of Syria and is the General Manager, Chairman of the Board, and an authorized signatory with a 25 percent stake in the company. Tariq Al-Madani is Sallizar's Assistant General Manager, a Member of the Board, and authorized signatory with a 25 percent stake in the company.

Tariq Al-Madani and Kamal Al-Madani were designated pursuant to E.O. 13582 for acting or purporting to act for or on behalf of, directly or indirectly, Sallizar.

GOVERNMENT OF SYRIA SENIOR OFFICIALS AND ENTITIES

Today, OFAC designated General **Ghassan Jaoudat Ismail** (Ismail), the head of the designated Syrian Air Force Intelligence (SAFI). Ismail has served as the head of SAFI since 2019, previously serving as the Deputy Director and in charge of SAFI's mission branch, which manages SAFI's elite troops in cooperation with the special operations branch, who play a key role in the repression conducted by the Syrian regime.

OFAC also designated Brigadier General **Nasr Al-Ali** (Al-Ali), the head of the designated Political Security Directorate (PSD). Al-Ali has served as the head of PSD since July 2019. Prior to being named to this position, Al-Ali headed PSD branches in Aleppo and Daraa.

Ismail was designated pursuant to E.O. 13572, "Blocking Property of Certain Persons with Respect to Human Rights Abuses in Syria," for being a senior official of SAFI, an entity whose

property and interests in property are blocked pursuant to E.O. 13572. Al-Ali was designated pursuant to E.O. 13572 for being a senior official of the PSD, an entity whose property and interests in property are blocked pursuant to E.O. 13572.

Additionally, OFAC designated parliamentarians **Nabil Toumeh Bin Mohammed** (Toumeh) and **Amer Taysir Khiti** (Khiti). Toumeh is a member of the Arab Socialist Ba'ath Party in the Syrian People's Assembly and has been a representative of Damascus Province for the Syrian People's Assembly since he was initially elected in 2016; Toumeh was reelected on July 19, 2020. Toumeh is one of seven members representing the Syrian People's Assembly in the Parliamentary Assembly of the Mediterranean. Khiti, also a member of the Syrian People's Assembly, represents Rural Damascus Province and was elected on July 19, 2020.

Toumeh founded holding company **Toumeh International Group**, which operates subsidiaries covering a range of products and services, including information technology, telecommunication, TV production, advertising, engineering and contracting, imports and exports, industrial equipment, tourism, printing and publishing, as well as décor and furniture. Khiti is the Chairman of **Khiti Holding Group** and is one of its founders. Formed in 2018, Khiti Holding Group is a real estate development, commercial and industrial conglomerate, active in the fields of industry, trading, agriculture, tourism, real estate, transportation and technical services.

Toumeh and Khiti were designated pursuant to E.O. 13573 for being senior officials of the Government of Syria. Toumeh International Group was designated pursuant to E.O. 13573 for being owned or controlled by, directly or indirectly, Toumeh. Khiti Holding Group was designated pursuant to E.O. 13573 for being owned or controlled by, or has acted or purported to act for or on behalf of, directly or indirectly, Khiti.

Lastly, OFAC designated the **Military Construction Establishment** (MCE) and the **Productive Projects Administration** (PPA). Established by legislative decree in 1972, MCE is a state-run construction company run by the Syrian Ministry of Defense. With branches throughout Syria, MCE's branch in Damascus has most recently been involved in the Marota City real estate investment project. On June 17, 2020, OFAC took action against investors in the project, which is being built on land that was expropriated from Syrians displaced by the regime. Founded in 1973 to supply the Syrian Arab Army with food and medicine, the PPA has since become involved in agricultural investment projects in property owned by the Syrian Ministry of Defense.

Both the MCE and PPA were designated pursuant to E.O. 13573 for being an agency or instrumentality of the Government of Syria, or owned or controlled, directly or indirectly, by the Government of Syria or by an official or officials of the Government of Syria.

SANCTIONS IMPLICATIONS

All property and interests in property of these persons that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. OFAC's regulations generally prohibit all dealings by U.S. persons or within (or transiting) the United States that involve any property or interests in property of blocked or designated persons. In addition, non-U.S. persons that engage in certain transactions with the persons designated today may be exposed to designation.

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

For more information regarding the scope of any sanctions program's requirements please contact OFAC's Sanction Compliance and Evaluation Division at (800) 540-6322 or (202) 622-2490, or by email at OFAC_Feedback@treasury.gov.

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