U.S. Treasury Blocks Over $1 Billion in Suleiman Kerimov Trust

June 30, 2022

*Enforcement investigation unearthed oligarch’s use of a network of relatives, advisers, and opaque legal entities to invest in the United States*

WASHINGTON – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) announced it has issued a Notification of Blocked Property to Heritage Trust, a Delaware-based trust in which OFAC-designated Russian oligarch Suleiman Abusaidovich Kerimov holds a property interest. As of June 30, 2022, Heritage Trust holds assets valued at over $1 billion. This action ensures that those assets remain blocked and inaccessible to Kerimov.

OFAC’s Notification of Blocked Property formally communicates to Heritage Trust OFAC’s administrative determination that Heritage Trust is subject to the same prohibitions applicable to Kerimov. All transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons are prohibited, unless exempt or authorized by a general or specific license issued by OFAC. These prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any blocked person and the receipt of any contribution or provision of funds, goods, or services from any such person.

Heritage Trust was formed in July 2017 for the purpose of holding and managing Kerimov’s U.S.-based assets. Kerimov is a member of the Federation Council of the Federal Assembly of the Russian Federation and was designated on April 6, 2018, pursuant to Executive Order (E.O.) 13661, for being an official of the Government of the Russian Federation. Kerimov has retained a property interest in Heritage Trust following his designation, which results in Heritage Trust being blocked.

Additionally, Kerimov’s nephew, Ruslan Gadzhiyevich Gadzhiyev, is a member of the designated State Duma of the Federal Assembly of the Russian Federation and Gadzhiyev was designated on March 24, 2022 pursuant to E.O. 14024 for being or having been a leader,
official, senior executive officer, or member of the board of directors of the Government of the Russian Federation. Gazhiyev is a beneficiary of Heritage Trust, and his continuing property interest in Heritage Trust provides a separate and independent basis for Heritage Trust to be blocked.

“Treasury continues using the full range of our tools to expose and disrupt those who seek to evade our sanctions and hide their ill-gotten gains,” said Treasury Secretary Janet L. Yellen. “Even as Russian elites hide behind proxies and complex legal arrangements, Treasury will use our broad enforcement authorities, as well as our partnerships through the REPO Task Force, to actively implement the multilaterally coordinated sanctions imposed on those who fund and benefit from Russia’s war against Ukraine.”

This action follows an extensive enforcement investigation into Kerimov’s U.S. holdings by OFAC. These efforts revealed that Kerimov used a complex series of legal structures and front persons to obscure his interest in Heritage Trust, the funds of which first entered the U.S. financial system through two foreign Kerimov-controlled entities prior to the imposition of sanctions against him. The funds were subsequently invested in large public and private U.S. companies and managed by a series of U.S. investment firms and facilitators. Kerimov and his proxies used various layers of U.S. and non-U.S. shell companies to hold formal title to assets and to conduct transactions in a manner that concealed his interest.

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