

U.S. DEPARTMENT OF THE TREASURY

Treasury Targets Global Sanctions Evasion Network Supporting Russia's Military-Industrial Complex

February 1, 2023

WASHINGTON – Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) imposed full blocking sanctions against 22 individuals and entities across multiple countries related to a sanctions evasion network supporting Russia's military-industrial complex. Today's action, taken pursuant to Executive Order (E.O.) 14024, are part of the U.S. strategy to methodically and intensively target sanctions evasion efforts around the globe, close down key backfilling channels, expose facilitators and enablers, and limit Russia's access to revenue needed to wage its brutal war in Ukraine. Over the last year, Treasury has sanctioned over 100 individuals and entities engaging in activity to circumvent international sanctions and export controls imposed on Russia.

"Russia's desperate attempts to utilize proxies to circumvent U.S. sanctions demonstrate that sanctions have made it much harder and costlier for Russia's military-industrial complex to re-supply Putin's war machine," said Deputy Secretary of the Treasury Wally Adeyemo. "Targeting proxies is one of many steps that Treasury and our coalition of partners have taken, and continue to take, to tighten sanctions enforcement against Russia's defense sector, its benefactors, and its supporters."

Today's actions were taken as part of Treasury's commitment to the Russian Elites, Proxies, and Oligarchs (REPO) Task Force, a multilateral effort to identify, freeze, and seize assets of sanctioned Russians around the world. It leverages information from the international coalition of REPO partners as well as key data from Treasury's Financial Crimes Enforcement Network (FinCEN). REPO works collaboratively to increase information sharing, track Russian assets, and sever Russian proxies and their enablers from the international financial system. Russian elites and proxies enable Russia's war of aggression in Ukraine, and the REPO Task Force aims to maximize the effect of multilateral sanctions while shutting off opportunities for Russia to evade or circumvent U.S. and partner sanctions. Treasury officials continue to travel throughout the world, including [this week](#), to pursue sanctions evasion and coordinate on information sharing and enforcement.

IGOR AND JONATAN ZIMENKOV

Today's action targets a Russian sanctions evasion network led by Russia- and Cyprus-based arms dealer **Igor Vladimirovich Zimenkov** (Igor Zimenkov). Persons in this network (the "Zimenkov network") have engaged in projects connected to Russian defense capabilities, including supplying a Russian company with high-technology devices after Russia launched its full-scale invasion of Ukraine on February 24, 2022. Certain members of the Zimenkov network have also supported sanctioned, state-owned Russian defense entities Rosoboroneksport OAO (Rosoboroneksport) and State Corporation Rostec (Rostec), which are key parts of Russia's military-industrial complex. Rosoboroneksport was previously sanctioned pursuant to E.O. 14024, E.O. 13582, and E.O. 13662, and Rostec was previously sanctioned pursuant to E.O. 13662 and E.O. 14024.

Igor Zimenkov has worked closely with his son **Jonatan Zimenkov** and a broad network of individuals and entities to enable Russian defense sales to third-country governments. As part of these efforts, Igor and Jonatan Zimenkov both had direct correspondence with sanctioned Russian defense firms. They have additionally been involved in multiple deals for Russian cybersecurity and helicopter sales abroad and have engaged directly with Rosoboroneksport's potential clients to enable sales of Russian defense materiel. Igor Zimenkov maintains close relationships with personnel of sanctioned Russian state-owned enterprise Rosoboroneksport and has provided information to Rostec personnel abroad. Jonatan Zimenkov has maintained Powers of Attorney for companies in the Zimenkov network on behalf of his father, Igor Zimenkov.

In addition, Igor Zimenkov has supported the Belarusian military-industrial complex by facilitating sanctioned Belarusian defense entity State Owned Foreign Trade Unitary Enterprise Belpetsvneshtekhnika (BSVT)'s sales efforts in Latin America. BSVT was previously designated pursuant to Belarus-related E.O. 14038 for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, the Government of Belarus, as well as for operating or having operated in the defense and related materiel sector of the Belarus economy.

Today, Igor Zimenkov was designated pursuant to E.O. 14024 for operating or having operated in the defense and related materiel sector of the Russian Federation economy. Jonatan Zimenkov was also designated pursuant to E.O. 14024 for having materially assisted,

sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Igor Zimenkov, and for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Rosoboroneksport, a person whose property and interests in property were previously blocked pursuant to E.O. 14024.

ZIMENKOV NETWORK MEMBERS

The Zimenkov network has used front companies to funnel money within the network while attempting to maintain a lawful appearance. Singapore-based Zimenkov network shell company **Asia Trading & Construction PTE Limited** (Asia Trading) and its director, **Serena Bee Lin Ng**, have sold helicopters to a Latin American government on behalf of Rostec. Today, Asia Trading was designated pursuant to E.O. 14024 for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, Rostec, a person whose property and interests in property were previously blocked pursuant to E.O. 14024. Serena Bee Lin Ng was designated pursuant to E.O. 14024 for being or having been a leader, official, senior executive officer, or member of the board of directors of Asia Trading.

Texel F.C.G. Technology 2100 Limited (Texel) has engaged in extensive funds transfers to Asia Trading. Among other projects connected to Russian defense capabilities, Texel and its CEO, Marks Blats, have supplied a Russian company with electro-optic and infrared devices following the start of Russia's full-scale invasion of Ukraine in February 2022. Marks Blats is a high-level Zimenkov network associate and a business partner of sanctioned Belarusian individual Aliaksandr Zaitsau, who was previously designated pursuant to Belarus-related E.O. 14038. In addition, OFAC took action against **Elektrooptika SIA**, which is owned by Marks Blats. Elektrooptika SIA purports to operate in the business services industry.

Today, Texel was designated pursuant to E.O. 14024 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Asia Trading. Marks Blats was designated pursuant to E.O. 14024 for being or having been a leader, official, senior executive officer, or member of the board of directors of Texel. Elektrooptika SIA was designated pursuant to E.O. 14024 for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, Marks Blats.

GBD Limited is a Zimenkov network company that has attempted to supply weapons systems to an African government and has sent millions of dollars to Igor Zimenkov over a period of years. **Alexander Volfovich** is a Cyprus-based arms broker and Zimenkov network associate. In addition to being an owner and director of GBD Limited, Alexander Volfovich is the public, registered owner of the following six companies in the Zimenkov network:

- **Mateas Limited**, located in Cyprus.
- **Klios Limited**, located in Cyprus.
- **VFC Solutions LTD**, located in Cyprus.
- **U-Stone Limited EOOD**, located in Bulgaria.
- **GMI Global Manufacturing & Integration Limited**, located in Cyprus, and involved in a contractual relationship between Alexander Volfovich and Jonatan Zimenkov.
- **D.E.S. Defense Engineering Solutions LTD**, located in Israel, and which is linked to Russian state military manufacturers.

Alexander Volfovich was designated pursuant to E.O. 14024 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Igor Zimenkov. GBD Limited, Mateas Limited, Kliosa Limited, GMI Global Manufacturing & Integration Limited, VFC Solutions LTD, U-Stone Limited EOOD, and D.E.S. Defense Engineering Solutions LTD were designated pursuant to E.O. 14024 for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, Alexander Volfovich.

The director of Mateas Limited, Uzbekistan-based **Maks Borisovich Piflaks** (Maks Piflaks), and his son, **Gilad Piflaks**, are Zimenkov network members and associates of D.E.S. Defense Engineering Solutions LTD. Maks Piflaks was designated today pursuant to E.O. 14024 for being or having been a leader, official, senior executive officer, or member of the board of directors of Mateas Limited. Gilad Piflaks was designated pursuant to E.O. 14024 for being a spouse or adult child of Maks Piflaks.

Alexander Volfovich's two adult sons, **Stanislav Volfovich** and **Ariel Volfovich**, maintain leadership roles on entities in the Zimenkov network. Stanislav Volfovich and Ariel Volfovich were designated pursuant to E.O. 14024 for being or having been leaders, officials, senior executive officers, or members of the board of directors of VFC Solutions LTD.

Cyprus-based **Igor Palnychenko** (Palnychenko) maintains a leadership role for GMI Global Manufacturing & Integration Limited, alongside Alexander Volfovich. Palnychenko was designated pursuant to E.O. 14024 for being or having been a leader, official, senior executive officer, or member of the board of directors of GMI Global Manufacturing & Integration Limited.

OFAC additionally took action against two companies owned by Palnychenko, **Pitaron Limited** and **Terra-Az Limited**. Pitaron Limited and Terra-Az Limited were designated pursuant to E.O. 14024 for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, Igor Palnychenko.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the designated persons above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, 50 percent or more by one or more blocked persons are also blocked. All transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or 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.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate and add persons to the OFAC's Specially Designated Nationals and Blocked Persons List (SDN List), but also from its ability to remove persons from the SDN List consistent with the law. The ultimate goal of sanctions is not to punish, but to bring about a positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the SDN List, please refer to OFAC's [Frequently Asked Question 897](#). For detailed information on the process to submit a request for removal from an OFAC sanctions list, please visit [here](#).

[For identifying information on the individuals and entities blocked today, click here](#)

