

U.S. DEPARTMENT OF THE TREASURY

Treasury Targets Two Politically Connected Brothers in Lebanon for Profiting from Public Corruption

April 4, 2023

WASHINGTON — Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) designated two Lebanese brothers — **Raymond Zina Rahme** and **Teddy Zina Rahme** — who used their wealth, power, and influence to engage in corrupt practices that contribute to the breakdown of the rule of law in Lebanon, thereby undermining Lebanon’s democratic processes to the detriment of the Lebanese people. At a time when the Lebanese people face significant economic distress, a dire energy crisis, and unprecedented political dysfunction, the Rahme brothers have used their business empire and political connections to enrich themselves at the expense of their fellow citizens.

“Today’s action underscores the United States’ commitment to shining a light on corrupt actions, which continue to unjustly impact the Lebanese people,” said Under Secretary of the Treasury for Terrorism and Financial Intelligence, Brian E. Nelson. “Now more than ever, the Lebanese government should implement desperately needed economic and political reforms.”

OFAC has taken this action today pursuant to Executive Order (E.O.) 13441, which authorizes sanctions against persons determined to have taken, or to pose a significant risk of taking, actions, including acts of violence, that have the purpose or effect of undermining Lebanon’s democratic processes or institutions, contributing to the breakdown of the rule of law in Lebanon.

THE RAHME BROTHERS

Raymond Zina Rahme and his brother, **Teddy Zina Rahme**, have used companies under their control — located both inside and outside of Lebanon — to win multiple government contracts through a highly opaque public tendering process. In 2017, the Rahme brothers secured a subcontract to import fuel for use by Lebanon’s state-owned national electricity utility, Électricité du Liban (EdL), and to import fuel on behalf of the Lebanese Ministry of Energy and Water in a bidding process widely reported to be corrupt. While contracted, the Rahme brothers imported tainted fuel, causing significant harm to Lebanese power plants. The Rahme brothers, through their UAE-based company **ZR Energy DMCC**, passed off their dangerously compromised fuel product by blending it with other fuels. While the Rahme brothers enriched themselves with this scheme, the

Lebanese people suffered, and the country's infrastructure further deteriorated. Power stations across Lebanon increasingly malfunctioned and daily electricity cuts increased.

Raymond Zina Rahme and Teddy Zina Rahme are being designated pursuant to E.O. 13441 for having taken, or for posing a significant risk of taking, actions, including acts of violence, that have the purpose or effect of undermining Lebanon's democratic processes or institutions, contributing to the breakdown of the rule of law in Lebanon. ZR Energy DMCC is being designated pursuant to E.O. 13441 for being owned or controlled by, directly or indirectly, Raymond Zina Rahme and Teddy Zina Rahme.

The Rahme brothers own and manage Lebanon-based **ZR Group Holding SAL**, a company operating in the energy, telecommunications, and aviation industries. The Rahme brothers used ZR Group Holding SAL to provide the funding necessary to establish ZR Energy DMCC, ZR Group Holding SAL has used its influence among Lebanese financial institutions to open letters of credit for ZR Energy DMCC, and the two companies share employees. Lebanon-based **ZR Logistics SAL** is also owned by the Rahme brothers through ZR Group Holding SAL.

ZR Group Holding SAL and ZR Logistics SAL are being designated pursuant to E.O. 13441 for being owned or controlled by, directly or indirectly, Raymond Rahme and Teddy Rahme.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the individuals named above, and of any entities that are owned, directly or indirectly, 50 percent or more by them, individually, or with other blocked persons, that are in the United States or in the possession or control of U.S. persons, must be blocked and reported to OFAC. Unless authorized by a general or specific license issued by OFAC or otherwise exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within the United States (including transactions transiting the United States) that involve any property or interests in property of designated or otherwise blocked persons. The prohibitions include the making or receiving of any contribution of funds, goods, or services to or for the benefit of those persons.

The power and integrity of OFAC sanctions derive not only from their ability to designate and add persons to the Specially Designated Nationals And Blocked Persons List ("SDN List"), but also from OFAC's willingness to remove persons from the SDN List consistent with U.S. law. The goal of sanctions is not to punish, but rather 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](#).

[Click here for identifying information on the individuals and entities designated today.](#)

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