

## *U.S. Intensifies Sanctions Against Russian Individuals and Entities*

BY THE PAUL HASTINGS GLOBAL TRADE CONTROLS GROUP

On April 28, 2014, the Obama Administration imposed new sanctions on Russian officials and entities in connection with the ongoing disruptions to central authority in eastern Ukraine. The newly sanctioned parties include seven Russian government officials, who will each be subject to an asset freeze and travel restrictions, and seventeen companies. We previously discussed the Executive Orders, issued on [March 6](#) and [March 17](#), which formed the foundation of the U.S. sanctions program related to Russia and Ukraine.

Each of the individuals is targeted apparently as a result of his personal ties to Russian President Vladimir Putin. Notable additions to the list of Specially Designated Nationals (“SDNs”) include Igor Sechin, the head of the oil company Rosneft, and Sergei Chemezov, the chief executive of the state corporation Rostec, although their companies have not been named. (In consultations with U.S. companies and advisors, the Administration has advised that sanctions against senior executives do not necessarily prohibit dealings with the companies they oversee.) The new additions to the SDN list also include banks, construction, and transportation companies, apparently targeted to disrupt Russian foreign trade and financing of the pro-Russian groups in eastern Ukraine.

The seven newly sanctioned individuals are:

- **Igor Sechin**, chief executive of the oil company Rosneft
- **Aleksei Konstantinovich Pushkov**, Chairman of State Duma Committee on International Affairs
- **Dmitry Kozak**, Deputy Prime Minister of the Russian Federation
- **Sergei Chemezov**, chief executive of the defense company Rostec Corporation
- **Evgeniy Alekseyevich Murov**, Director of the Federal Protective Service of the Russian Federation
- **Oleg Evgenyevich Belavencev**, Member of the Russian Security Council and Russian Presidential Envoy to Crimea
- **Vyacheslav Volodin**, First Deputy Chief of Staff of the Presidential Executive Office

The seventeen newly sanctioned entities are:

- Aquanika LLC
- Avia Group LLC
- Avia Group Nord LLC
- CJSC Zest, a.k.a. Zest Leasing
- InvestCapitalBank
- JSB Sobinbank
- Sakhatrans LLC
- SMP Bank, a.k.a. Bank Severny Morskoy Put
- Stroygazmontazh, a.k.a. SGM
- Stroytransgaz Group, a.k.a. STG Group
- Stroytransgaz Holding Ltd.
- Stroytransgaz LLC
- Stroytransgaz OJSC
- Stroytransgaz-M LLC
- The Limited Liability Company Investment Company Abros
- Transoil
- Volga Group

As part of the same announcement, the U.S. Department of Commerce has imposed additional restrictions on thirteen of the named entities by imposing a license requirement “with a presumption of denial for the export, re-export, or other transfer of U.S.-origin goods to the companies.”<sup>1</sup> The Departments of State and Commerce have also announced a tightened policy to deny export license applications for high-technology items that could contribute to Russia’s military capabilities.<sup>2</sup>

The European Union, for its part, is expected to impose similar sanctions on approximately fifteen Russian officials whose activities have been connected to the situation in Ukraine. The names of the individuals targeted by the E.U. have not yet been released, and it remains unclear whether the list will include individuals already sanctioned by the U.S. However, since the U.S. first imposed sanctions related to the situation in Ukraine in March, there has been significant overlap between the U.S. and E.U. sanctions lists.

This most recent round of designations further restricts U.S. and E.U. commerce with Russia and potentially disrupts the activities of U.S. persons doing business with Russian officials or companies. Companies transacting business with Russia, exporting goods or services to Russia, or engaging in

joint development activities with Russian counterparties should ensure compliance with existing Office of Foreign Assets Control restrictions and continue to prepare for escalating sanctions.

◇ ◇ ◇

*If you have any questions concerning these developing issues, please do not hesitate to contact any of the following Paul Hastings Washington, D.C. lawyers:*

Behnam Dayanim  
1.202.551.1737  
[bdayanim@paulhastings.com](mailto:bdayanim@paulhastings.com)

Scott M. Flicker  
1.202.551.1726  
[scottflicker@paulhastings.com](mailto:scottflicker@paulhastings.com)

Hamilton Loeb  
1.202.551.1711  
[hamiltonloeb@paulhastings.com](mailto:hamiltonloeb@paulhastings.com)

Charles A. Patrizia  
1.202.551.1710  
[charlespatrizia@paulhastings.com](mailto:charlespatrizia@paulhastings.com)

Amanda Kowalski  
1.202.551.1976  
[amandakowalski@paulhastings.com](mailto:amandakowalski@paulhastings.com)

---

<sup>1</sup> See White House Press Release dated April 28, 2014, available at <http://www.whitehouse.gov/the-press-office/2014/04/28/statement-press-secretary-ukraine>.

<sup>2</sup> *Id.*