

**From:** (b)(6)  
**To:**  
**Subject:** RE: Russian origin items  
**Date:** Thursday, July 13, 2017 9:15:11 AM

(b)(5)

**374. If I own a Kalashnikov product, is that product blocked by sanctions? Am I able to resell a Kalashnikov product at a gun show or other secondary market?**

If a U.S. person is in possession of a Kalashnikov Concern product that was bought and fully paid for prior to the date of designation (i.e., no payment remains due to Kalashnikov Concern), then that product is not blocked and OFAC sanctions would not prohibit the U.S. person from keeping or selling the product in the secondary market, so long as Kalashnikov Concern has no interest in the transaction. New transactions by U.S. persons with Kalashnikov Concern are prohibited, however, and any property in which Kalashnikov Concern has an interest is blocked pursuant to OFAC's designation of Kalashnikov Concern on July 16, 2014. If a U.S. person has an inventory of Kalashnikov Concern products in which Kalashnikov Concern has an interest (for example, the products are not fully paid for or are being sold on consignment), we advise that U.S. person to contact OFAC for further guidance on handling of the inventory. [7-16-2014]

**375. If I have Kalashnikov products in my inventory, can I sell them?**

If a U.S. person has an inventory of Kalashnikov Concern products in which Kalashnikov Concern has an interest (for example, the products are not fully paid for or are being sold on consignment), we advise that U.S. person to contact OFAC for further guidance on handling of the inventory. [7-16-2014]

**From:** (b)(6)  
**Sent:** Wednesday, July 12, 2017 9:27 AM  
**To:** (b)(6)  
**Subject:** FW: Russian origin items

(b)(6) from Compliance sent me this email chain. We also had a brief telephone conversation.

(b)(5), (b)(6)

**From:** (b)(6)  
**Sent:** Tuesday, July 11, 2017 4:13 PM  
**To:** (b)(6)  
**Subject:** FW: Russian origin items

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**(b)(6)**

In relation to our earlier phone conversation, Dan Shea of Phoenix Defence provided the ATF contact below.

**(b)(5)**

If you have any questions, please let me know.

Sincerely,

**(b)(6)**

Sanctions Compliance & Evaluation  
Office of Foreign Assets Control  
U.S. Department of the Treasury

**(b)(6)** (desk)

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**From:** Dan Shea [<mailto:dan@phoenixdefence.com>]  
**Sent:** Tuesday, July 11, 2017 3:29 PM  
**To:** ATF **(b)(6)**  
**Cc:** **(b)(6)**  
**Subject:** Russian origin items

ATF **(b)(6)** please meet **(b)(6)** from Treasury- OFAC. He and I spoke today, and to what I described we were doing on the small quantities of Russian origin firearms I am trying to import under the CTTSO letter and US DoS Letter of no objection to origin, he didn't see a problem with approving and agreed to help work this through. He asked if you could email him on this and we could finalize the process.

The firearms in question are either captured or have been out of the Russian company hands for many years- there is no way the sanctioned Russian companies are profiting or even know about these transactions.

The import application was 201701008

**(b)(6)** can you please give guidance on anything we need to do in order to complete this import transaction?

Best Regards,

**DAN SHEA** | General Director

2018-08-116: 009312

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[dan@phoenixdefence.com](mailto:dan@phoenixdefence.com) | <https://hyperlink.services.treasury.gov/agency.do?origin=www.phoenixdefence.com>

Phoenix Defence

Mailing Address: 631 N. Stephanie Street, No. 282 | Henderson, NV 89014 | USA

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Dan Shea is also the Editor-in-Chief of *Small Arms Defense Journal* and *Small Arms Review*, published by Chipotle Publishing, LLC. Websites include <https://hyperlink.services.treasury.gov/agency.do?origin=www.sadefensejournal.com>, <https://hyperlink.services.treasury.gov/agency.do?origin=www.smallarmsreview.com>, and <https://hyperlink.services.treasury.gov/agency.do?origin=www.chipotlepublishing.com>. Email: [dan@chipotlepublishing.com](mailto:dan@chipotlepublishing.com).

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**From:** [REDACTED] ATF (b)(6)

**Sent:** Wednesday, April 19, 2017 7:01 AM

**To:** Dan Shea

**Cc:** [REDACTED] ATF (b)(6)

**Subject:** RE: ????

Hi Dan, I asked the office to pull the letter to make sure we sent the correct one but the Denial was correct. I understand that State issued a letter of no objection, however, there are companies listed on the Form 6 that subject to sanctions. You must also receive a waiver from OFAC. You supplied a statement that the companies would not profit from this transaction but OFAC did not find this proof sufficient. They will need more documentation from you that we will be happy to forward to OFAC for their review. Until OFAC issues a waiver, we cannot approve, thanks!

**ATF (b)(6)**

2018-08-116: 009313

# ATF (b)(6)

**From:** Dan Shea [<mailto:dan@phoenixdefence.com>]

**Sent:** Tuesday, April 18, 2017 5:30 PM

**To** [REDACTED] ATF (b)(6)

**Subject:** ????

ATF (b)(6) are you familiar with the Russian import we applied for under the CTTSO letter? 201701008

I received back the standard "Russian company" letter from State Department, yet, I have supplied the Letter of No Objection to Russian Origin on these specific firearms, from US Dept of State. Is there something I'm missing here? State exempted this transaction....

Best Regards,

**DAN SHEA** | General Director

Office +1.702.208.9735 | Fax +1.702.567.2425

[dan@phoenixdefence.com](mailto:dan@phoenixdefence.com) | <https://hyperlink.services.treasury.gov/agency.do?origin=www.phoenixdefence.com>

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Dan Shea is also the Editor-in-Chief of *Small Arms Defense Journal* and *Small Arms Review*, published by Chipotle Publishing, LLC. Websites include

2018-08-116: 009314

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<https://hyperlink.services.treasury.gov/agency.do?origin=www.smallarmsreview.com>, and  
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[dan@chipotlepublishing.com](mailto:dan@chipotlepublishing.com).

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**RE: OFAC: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1**

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**From:** (b)(6)  
**To:** Michael Faucette <michael.faucette@mbassociateslaw.com>  
**Cc:** (b)(6) Michael Sullivan <msullivan@ashcroftlawfirm.com>, Mark Barnes <mark.barnes@mbassociateslaw.com>  
**Bcc:** (b)(6)  
**Date:** Wed, 18 Jul 2018 12:58:21 -0400

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Mike:

Greetings. Not at this time, but we hope to have a response shortly.

(b)(6)

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**From:** Michael Faucette [mailto:michael.faucette@mbassociateslaw.com]  
**Sent:** Wednesday, July 18, 2018 12:56 PM  
**To:** (b)(6)  
**Cc:** (b)(6) Michael Sullivan <msullivan@ashcroftlawfirm.com>; Mark Barnes <mark.barnes@mbassociateslaw.com>  
**Subject:** Re: OFAC: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

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(b)(6)

I understand you guys are a small office with a lot on your plate. Considering we have been waiting over 3 years on a relatively short license application, do you have any type of substantive update I can provide the client with?

Thank you,

Mike Faucette

On Jul 17, 2018, at 6:02 PM, (b)(6) wrote:

Mike:

Greetings. The oligarch-related designations in April have made heavy demands on our time, but we are working very hard to get back on schedule. Bear with us for a bit longer and we should be able to respond soon.

Thank you,

(b)(6)

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**From:** Michael Faucette [mailto:michael.faucette@mbassociateslaw.com]  
**Sent:** Tuesday, July 17, 2018 5:03 PM  
**To:** (b)(6)  
**Cc:** (b)(6)  
**Subject:** Re: OFAC: RWC-Baikal Advisory Opinion Request: Case Number UKRAINE-EO13661-2014-311648-1

Hi (b)(6)

Hope you are doing well. Do you have an update on Case Number UKRAINE-EO13661-2014-311648-1? About 11 months ago you said we should expect a final decision shortly. We are approaching the four year mark on this license application.

I hope to hear from you soon. Thank you.

Mike Faucette  
Attorney at Law  
Mark Barnes & Associates  
1350 I St. N.W., Suite 260, Washington, D.C. 20005  
Tel. (202) 626-0085

On Aug 11, 2017, at 5:15 PM, Michael Faucette <michael.faucette@mbassociateslaw.com> wrote:

2018-08-116: 009336

Hi (b)(6)

Thank you for your email. Please let us know if you have any questions on what we submitted.  
Mike Faucette  
Attorney at Law

On Aug 11, 2017, at 4:09 PM, (b)(6) wrote:

Dear Mr. Faucette:

This is in regards to your email to Under Secretary Mandelker dated August 9, 2017, on behalf of RWC Group, LLC, regarding the status of your request for reconsideration of OFAC's March 24, 2015 denial (Case Number Ukraine-EO13661-2014-311648-1) of your July 30, 2014 request to sell (b)(4) (b)(4) manufactured by Baikal. The Under Secretary has asked OFAC to respond to you on her behalf. OFAC hopes to make a final determination of your reconsideration request shortly. Please do not hesitate to contact me if you have additional questions.

Sincerely,

(b)(6)  
Chief/Licensing Division  
OFAC