

Bates Nos. 2018-08-116:
009187 – 009192
Pending Consultation with
Other Components of Treasury

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Bates Nos. 2018-08-116:
009193 – 009197
Submitter Notice Process
Initiated

FW: POLITICO Influence: Trump moves on steel, aluminum tariffs despite lobbying efforts — Massie says lobbyist offered to help get him on Ways and Means — Russian bank invited State Department official to Kennedy Center gala

From: (b)(6)
To: "Swindells, Felicia" (b)(6) "Gacki, Andrea" (b)(6)
Date: Thu, 31 May 2018 14:48:25 -0400

From today's Politico influence newsletter -

RUSSIAN BANK INVITED STATE DEPARTMENT OFFICIAL TO KENNEDY CENTER GALA: The Center for Public Integrity's Carrie Levine got her hands on emails between Daniel Fried, the State Department's sanctions policy coordinator, and Daniel Russell, a former State Department official who leads the U.S.-Russia Business Council. "Clearly your last meeting with Andrey Kostin made an impression!" Russell wrote to Fried in 2016. "Please see attached a special invitation from him" for Fried and a guest to attend a gala at the Kennedy Center sponsored by VTB, a Russian bank under sanction. Kostin is VTB's chairman. Fried declined the invitation. "I won't be attending," he wrote. "We're not interested in advancing their corporate reputation." [Full story.](#)

(b)(6) Senior Advisor, Office of Foreign Assets Control, U.S. Treasury Department, (b)(6) (O), (b)(6) (M)

From: POLITICO Influence [mailto:politicoinfluence@politico.com]
Sent: Thursday, May 31, 2018 2:45 PM
To: (b)(6)
Subject: POLITICO Influence: Trump moves on steel, aluminum tariffs despite lobbying efforts — Massie says lobbyist offered to help get him on Ways and Means — Russian bank invited State Department official to Kennedy Center gala

By Theodoric Meyer and Marianne LeVine | 05/31/2018 02:43 PM EDT

With David Beavers, Garrett Ross and Daniel Lippman

TRUMP MOVES ON STEEL, ALUMINUM TARIFFS DESPITE LOBBYING EFFORTS: President Donald Trump's move today to tax steel and aluminum imports from Canada, Mexico and the European Union — after granting them a temporary reprieve a month ago — is a setback for the lobbyists hired to stop the administration from doing so. As PI has previously reported, companies have rushed to hire lobbyists in recent months to advocate on the steel and aluminum tariffs. **Beck Aluminum International**, for instance, an Ohio aluminum distributor, hired **Squire Patton Boggs** last month to lobby on the sanctions. **Fujifilm Holdings** hired **David Wilkins**, a former U.S. ambassador to Canada, and one of his colleagues at **Nelson Mullins Riley & Scarborough** to lobby on the issue as well. But the administration has proved impervious so far to appeals not to tax imports from American allies.

MASSIE SAYS LOBBYIST OFFERED TO HELP GET HIM ON WAYS AND MEANS: Rep. **Thomas Massie** (R-Ky.) claims in a new episode of a documentary series that "a lobbyist in the medical device industry" offered to help him get on the House Ways and Means Committee. "He said, 'Thomas, you're different from these other congressmen,'" Massie told "The Swamp," a documentary series that follows several members of the House Freedom Caucus, of which Massie is a member. "My lobbyist friends and I are prepared to raise the amount of money it's gonna take to get you on the Ways and Means Committee.' I wanted to run out of there. After his proposal, I was trying to find a shower." [Here's the clip.](#)

Good afternoon, and welcome to PI. Please keeping those tips coming: mlevine@politico.com and tmeyer@politico.com. You can also follow us on Twitter: [@theodoricmeyer](https://twitter.com/theodoricmeyer) and [@marianne_levine](https://twitter.com/marianne_levine).

Register for the Pro Summit: Join Pro subscribers, expert reporters and key decision-makers from the executive branch, federal agencies and Congress for a full day of incisive policy conversations on July 17. [Learn more.](#)

RUSSIAN BANK INVITED STATE DEPARTMENT OFFICIAL TO KENNEDY CENTER GALA: The Center for Public Integrity's Carrie Levine got her hands on emails between Daniel Fried, the State Department's sanctions policy coordinator, and Daniel Russell, a former State Department official who leads the U.S.-Russia Business Council. "Clearly your last meeting with Andrey Kostin made an impression!" Russell wrote to Fried in 2016. "Please see attached a special invitation from him" for Fried and a guest to attend a gala at the Kennedy Center sponsored by VTB, a

Russian bank under sanction. Kostin is VTB's chairman. Fried declined the invitation. "I won't be attending," he wrote. "We're not interested in advancing their corporate reputation." [Full story.](#)

PARKLAND PARENTS START SUPER PAC TO TAKE ON NRA: "Parkland parents have created a [super PAC] directed against politicians who are funded by the **National Rifle Association**," **The Sun Sentinel's Lisa Huriash** reports. "The group, which begins taking donations Wednesday, will use its money to try to oust political candidates who both oppose its efforts to amend the laws that permit semi-automatic rifles, or who receive campaign donations from the NRA — or both. ... State records show **Families vs Assault Rifles PAC Inc.** was registered as a nonprofit on May 18 by **Jeff Kasky**, the father of Marjory Stoneman Douglas High student activist **Cameron Kasky**, who is a founder of **March for Our Lives**." The group also registered as a super PAC with the FEC. [Full story.](#)

IF YOU MISSED IT THIS MORNING: Trump said today he will grant a pardon to **Dinesh D'Souza**, a conservative political commentator and filmmaker who pleaded guilty to a felony in 2014 over his use of straw donors to make illegal contributions in a 2012 Senate race," **POLITICO's Josh Gerstein** and **Cristiano Lima** report. "Will be giving a Full Pardon to Dinesh D'Souza today. He was treated very unfairly by our government!" the president tweeted." [Full story.](#)

JOBS REPORT

— **Mercury** has hired **Kirk Wagar**, a former U.S. ambassador to Singapore under President **Barack Obama**, as a co-chairman of the firm. Wagar is also a distinguished fellow at the **Atlantic Council**.

— **Josh Silberberg** has joined **FP1 Strategies** as a managing director. He previously worked for **30 Point Strategies**, where he worked on health care, energy and trade issues and crisis communications.

NEW JOINT FUNDRAISERS:

Feehan Victory Fund (Dan Feehan, Minnesota Democratic-Farmer-Labor Party)

NEW PACS:

Animal Wellness Action PAC (PAC)
Kentucky Patriot PAC (Super PAC)
Nephron Pharmaceuticals Corporation Political Action Committee (Nephron PAC) (PAC)
Peoples Fund PAC (Super PAC)
United States Congress Joint Advisory Committee (PAC)

NEW LOBBYING REGISTRATIONS:

American Defense International, Inc.: J.A. Green and Company (for Mark Barnes & Associates)
Cassidy & Associates, Inc. (formerly known as Cassidy & Associates): Center for Carbon Removal
Cassidy & Associates, Inc. (formerly known as Cassidy & Associates): Chambers County Cedar Bayou Navigation District
Cassidy & Associates, Inc. (formerly known as Cassidy & Associates): City of Bullhead City, Arizona
Cassidy & Associates, Inc. (formerly known as Cassidy & Associates): Covestro, LLC
Cassidy & Associates, Inc. (formerly known as Cassidy & Associates): Sunrun, Inc.
Jeffrey J. Kimbell and Associates: Enzyvant Therapeutics GmbH
K&L Gates LLP: PacifiCorp Energy
Steptoe & Johnson LLP: DisposeRx, Inc.
Tarplin, Downs & Young, LLC: American Osteopathic Association
Wilmer Cutler Pickering Hale and Dorr LLP: Cayuga Nation of New York

NEW LOBBYING TERMINATIONS:

Alexander, Borovicka & O'Shea Government Solutions (fka Alexander & Borovicka Go: Laufer Wind
Alexander, Borovicka & O'Shea Government Solutions (fka Alexander & Borovicka Go: The National Group for Vigilant Solutions
Cassidy & Associates, Inc. (formerly known as Cassidy & Associates): Open Space Institute Inc.
Cassidy & Associates, Inc. (formerly known as Cassidy & Associates): Pew Charitable Trusts
Grau & Associates, LLC: The Florida Aquarium
Manatt, Phelps, and Phillips: McDonald's Corporation
Matt Hill: Public Timber Purchasers Group
May Group LLC: General Communication Inc
Mercury: Hudson River Health Care
Potomac International Partners, Inc.: Hanwha Q CELLS America Inc.
Regulatory Strategies And Solutions Group, LLC: BP America
Russ Klenet & Associates: City of Parkland
Skladany Consulting LLC: Akin Gump on behalf of DowDupont

Susan J. White & Associates, Inc.: Cook County IL
Susan J. White & Associates, Inc.: National Association Of Government Defined Contribution Administrators
United Concordia Companies, Inc. (dba United Concordia Dental): United Concordia Companies, Inc. (dba United Concordia Dental)
Urban Swirski & Associates, LLC: American Federation for Children
Wanner Associates: Scrubgrass Generation
Watershed Results LLC: Texas and Southwestern Cattle Raisers Assoc

To view online:

<https://hyperlink.services.treasury.gov/agency.do?origin=https://www.politico.com/newsletters/politico-influence/2018/05/31/trump-moves-on-steel-aluminum-despite-tariffs-238127>

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Bates Nos. 2018-08-116:
009201 – 009202
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Bates No. 2018-08-116: 009203

Pending Consultation with
Another Component of
Treasury and Another
Government Agency

Bates Nos. 2018-08-116:
009204 - 009208

Pending Consultation with
Another Component of
Treasury

RE: Stats on E.O. 13661 Designations

From: (b)(6)

To: (b)(6)

Date: Thu, 19 Jul 2018 14:59:12 -0400

Got it—but the designation prong is probably then acting for/on behalf of Kalashnikov, right? Not operating in the arms/material sector? I think we need to see the actual press release or FRN to confirm the prongs. I don't know how time sensitive this question is, but it seems like something (b)(6) could find, given how busy everyone is.

From: (b)(6)

Sent: Thursday, July 19, 2018 2:53 PM

To: (b)(6)

Subject: RE: Stats on E.O. 13661 Designations

The individuals were acting for or on behalf of Kalashnikov entities.

From: (b)(6)

Sent: Thursday, July 19, 2018 2:49 PM

To: (b)(6)

Subject: RE: Stats on E.O. 13661 Designations

Were the individuals designated specifically for operating the arms/material sector? My recollection is that we used that for entities, but I could be wrong. Feel free to ask (b)(6) to pull the press releases and check.

From: (b)(6)

Sent: Thursday, July 19, 2018 2:46 PM

To: (b)(6)

Subject: RE: Stats on E.O. 13661 Designations

Between Kalashnikov and everything tied to the BUK missile, I count 17 entities and 7 individuals. Does that sound right to everyone?

From: (b)(6)

Sent: Thursday, July 19, 2018 2:27 PM

To: (b)(6)

Cc: (b)(6)

Subject: Stats on E.O. 13661 Designations

(b)(6) Team,

Do you know how many persons have been designated pursuant to E.O. 13661 for operating in the arms or related materiel sector in Russia?

(b)(6)

Sanctions Investigator
Office of Global Targeting
Office of Foreign Assets Control
U.S. Department of the Treasury

(b)(6)

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RE: Stats on E.O. 13661 Designations

From: (b)(6)
To: (b)(6) (b)(6)
Cc: (b)(6)
Date: Thu, 19 Jul 2018 15:20:32 -0400
Attachments: UKRAINE-Rus Arms entitites.xlsx (17.4 kB)

Hi (b)(6),

Attached is some information that you may find useful. The chart includes designated defense entities under 13661. I'm not sure why I made this chart in the first place but I think it was to denote Kalashnikov Concern actions that you see highlighted in yellow. The chart does not include entities designated under 13662. That E.O also includes sectoral designations of defense-related entities and subsequent identification of subsidiaries linked to SSIs.

(b)(6)

From: (b)(6)
Sent: Thursday, July 19, 2018 3:03 PM
To: (b)(6) (b)(6)
Cc: (b)(6) (b)(6)
Subject: RE: Stats on E.O. 13661 Designations

Probably the total numbers to include primary and derivatives. This is for a possible question that may come up in a briefing we have with SASC next week. Thanks so much for looking into this. I tried to find the answer myself through Oasis but realized I couldn't drill down to this specific prong.

From: (b)(6)
Sent: Thursday, July 19, 2018 2:59 PM
To: (b)(6)
Cc: (b)(6)
Subject: RE: Stats on E.O. 13661 Designations

(b)(6),

Can you clarify whether you mean designations specifically using the prong "operating in the arms or related material sector in Russia" or any designations of persons/entities that operate in that sector (i.e. Kalashnikov derivatives)? The numbers may be slightly different.

From: (b)(6)
Sent: Thursday, July 19, 2018 2:27 PM
To: (b)(6)
Cc: (b)(6)
Subject: Stats on E.O. 13661 Designations

(b)(6) Team,

Do you know how many persons have been designated pursuant to E.O. 13661 for operating in the arms or related materiel sector in Russia?

(b)(6)
Sanctions Investigator
Office of Global Targeting
Office of Foreign Assets Control
U.S. Department of the Treasury
(b)(6)

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Name	Press Release	Address	Type	Program(s)	List
FEDERAL STATE UNITARY ENTERPRISE STATE RESEARCH AND PRODUCTION ENTERPRISE BAZALT	https://www.treasury.gov/press-center/press-releases/Pages/jl2572.aspx?forward=f239b31d-8347-4ea3-9057-7fe3cf0d7942	32 Velyaminovskaya	Entity	UKRAINE-EO13661	SDN
INSTAR LODZHISTIKS, OOO	https://home.treasury.gov/news/press-releases/sm0266	d. 20 str., 7 ofis 102V, ul. Elektrozavodskaya	Entity	UKRAINE-EO13661	SDN
IZHEVSKY MEKHANICHESKY ZAVOD JSC	https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20150730.aspx	8 Promyshlennaya Str.	Entity	UKRAINE-EO13661	SDN
JOINT STOCK COMPANY ALMAZ-ANTEY AIR DEFENSE CONCERN MAIN SYSTEM DESIGN BUREAU NAMED BY ACADEMICIAN A.A. RASPLETIN	https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20140912.aspx	16-80, Leningradsky Prospect	Entity	UKRAINE-EO13661	SDN
JOINT STOCK COMPANY CONCERN RADIO-ELECTRONIC TECHNOLOGIES	https://www.treasury.gov/press-center/press-releases/Pages/jl2572.aspx	20/1 Korp. 1 ul. Goncharnaya	Entity	UKRAINE-EO13661	SDN
JOINT STOCK COMPANY CONCERN SOZVEZDIE	https://www.treasury.gov/press-center/press-releases/Pages/jl2572.aspx?forward=f239b31d-8347-4ea3-9057-7fe3cf0d7942	14 Plekhanovskaya Street	Entity	UKRAINE-EO13661	SDN
JOINT STOCK COMPANY MILITARY-INDUSTRIAL CORPORATION NPO MASHINOSTROYENIA	https://www.treasury.gov/press-center/press-releases/Pages/jl2572.aspx?forward=f239b31d-8347-4ea3-9057-7fe3cf0d7942	33, Gagarina St.	Entity	UKRAINE-EO13661	SDN
JOINT-STOCK COMPANY CONCERN ALMAZ-ANTEY	https://www.treasury.gov/press-center/press-releases/Pages/jl2572.aspx?forward=f239b31d-8347-4ea3-9057-7fe3cf0d7942	41 ul. Vereiskaya	Entity	UKRAINE-EO13661	SDN
JSC V. TIKHOMIROV SCIENTIFIC RESEARCH INSTITUTE OF INSTRUMENT DESIGN	https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20140912.aspx	3 Ul. Gagarina	Entity	UKRAINE-EO13661	SDN
KALASHNIKOV CONCERN	https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20150730.aspx	3, Derjabin Pr., Izhevsk	Entity	UKRAINE-EO13661	SDN
KALININ MACHINE PLANT JSC	https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20140912.aspx	18 prospekt Kosmonavtov	Entity	UKRAINE-EO13661	SDN
KONSTRUKTORSKOE BYURO PRIBOROSTROENIYA OTKRYTOE AKSIONERNOE OBSHCHESTVO	https://www.treasury.gov/press-center/press-releases/Pages/jl2572.aspx	59 Shcheglovskaya Zaseka ul.	Entity	UKRAINE-EO13661	SDN
MOLOT-ORUZHIE, OOO	https://www.treasury.gov/press-center/press-releases/Pages/sm0114.aspx	135 ul. Lenina	Entity	UKRAINE-EO13661	SDN
MYTISHCHINSKI MASHINOSTROITELNY ZAVOD, OAO	https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20140912.aspx	4 ul. Kolontsova Mytishchi	Entity	UKRAINE-EO13661	SDN
OAO 'DOLGOPRUDNY RESEARCH PRODUCTION ENTERPRISE'	https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20140912.aspx	1 Pl. Sobina	Entity	UKRAINE-EO13661	SDN
OPEN JOINT STOCK COMPANY "KONTSERN IZHMASH"	https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20150730.aspx	3 Deryabin Proezd	Entity	UKRAINE-EO13661	SDN
UNITED SHIPBUILDING CORPORATION	https://www.treasury.gov/press-center/press-releases/Pages/jl2590.aspx	90, Marata ul.	Entity	UKRAINE-EO13661	SDN
URALVAGONZAVOD	https://www.treasury.gov/press-center/press-releases/Pages/jl2572.aspx?forward=f239b31d-8347-4ea3-9057-7fe3cf0d7942	28, Vostochnoye shosse	Entity	UKRAINE-EO13661	SDN
BULYUTIN, Andrey	https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20150730.aspx		Individual	UKRAINE-EO13661	SDN
CHERNYKH, Tatiana V	https://www.treasury.gov/press-center/press-releases/Pages/jl0314.aspx		Individual	UKRAINE-EO13661	SDN
IOFFE, Eduard A	https://www.treasury.gov/press-center/press-releases/Pages/jl0314.aspx		Individual	UKRAINE-EO13661	SDN
KARAMYAN, Vakhtang	https://www.treasury.gov/press-center/press-releases/Pages/jl0314.aspx		Individual	UKRAINE-EO13661	SDN
KOLOSOV, Bogdan Valeryevich	https://home.treasury.gov/news/press-releases/sm0266	House 177, Apt. 64	Individual	UKRAINE-EO13661	SDN
OMELCHENKO, Aleksander	https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20150730.aspx		Individual	UKRAINE-EO13661	SDN
CHEMEZOV, Sergei	https://www.treasury.gov/press-center/press-releases/Pages/jl2369.aspx		Individual	UKRAINE-EO13661	SDN

Stats for Monday Hill Briefing

From: (b)(6)
To: (b)(6)
Cc: (b)(6) "Ballman, Luke" <luke.ballman@treasury.gov> (b)(6)
Date: Fri, 20 Jul 2018 15:01:17 -0400
Attachments: Designation Stats SASC.docx (16.53 kB)

(b)(6)(b)(6)

Could you please pass the attached document for Greg per his request. He asked that I pull stats that may be useful for our briefing to the SASC next Monday. Please let me know if he wants any additional information pulled.

(b)(6)
Sanctions Investigator
Office of Global Targeting
Office of Foreign Assets Control
U.S. Department of the Treasury

(b)(6)

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Statistics for Upcoming SASC Briefing

Russia Designation Statistics During the Trump Administration	
Total Russia Designations	197
Cyber Designations (E.O. and CAATSA)	30 Russia (49 total, other 19 were Iranian)
Russia/Ukraine Designations	136
Magnitsky and GLOMAG	8
Other Programs (DPRK, Syria, TCO)	23

General Designation Statistics (No time limits)	
Vessels	264 (148 Iranian, 93 DPRK, 10 Syrian, 7 Libyan, 4 Cuban, 2 Ukrainian/Russian)
Designations Targeting the Arms and Defense Sectors of Russia (E.O. 13661 and 13662)	Over 25 with numerous subsidiaries (i.e. KALASHNIKOV)
Russia/Ukraine Program	953
Cyber	54
Magnitsky and GLOMAG	126

Previous actions targeted foreign naval program:

1. On June 16, 2010, OFAC designated Iran's Naval Defense Missile Industry Group, pursuant to E.O. 13382. The entity was involved in the development and production of cruise missiles and is responsible for naval missiles.
2. On July 29, 2014, OFAC designated United Shipbuilding Corporation, pursuant to E.O. 13662 for operating in the arms or related materiel sector in Russia. Specifically they were a Russian stated owned company that designs and constructs ships for the Russian Navy and was the largest shipbuilding company in Russia at the time of designation.
3. On January 12, 2017, OFAC identified the Syrian Arab Navy as a blocked agency of the Government of Syria pursuant to E.O. 13582.
4. On July 18, 2017, OFAC designated Qeshm Madkandaloo Shipbuilding Cooperative Co pursuant to E.O. 13382. This company was a supplier to the IRGC Navy for dockside equipment as well as general support and maintenance services. They had served multiple IRGC-Navy bases and had received weapons from the IRGC Navy to test in the Strait of Hormuz.

Bates Nos. 2018-08-116:
009214 – 009215
Pending Consultation with
Other Components of Treasury

Slides

From: [REDACTED] (b)(6), (b)(7)(C)
To: [REDACTED] (b)(6), (b)(7)(C)
Date: Tue, 14 Aug 2018 11:34:32 -0400
Attachments: OFAC 101 EL.ppt (4.11 MB)

Last 2 slides. 23, 24.

UNCLASSIFIED

OFAC: Overview, Authorities, and Designation Criteria



OFAC

OFFICE OF FOREIGN ASSETS CONTROL

UNCLASSIFIED

2018-08-116: 009217 {#}



Agenda

- Overview of OFAC
- Designation Process
- Designation Authorities
- Impact of Sanctions
- Designation Criteria
- Contact Information



OFAC

OFFICE OF FOREIGN ASSETS CONTROL

Overview of OFAC

- **What is OFAC and what does it do?**
 - The Office of Foreign Assets Control (OFAC) administers and enforces economic and trade sanctions against targeted:
 - Governments
 - Individuals
 - Entities
 - Activities: Terrorism, Proliferation, Narcotics, Cyber, and Transnational Organized Crime
 - OFAC is part of the Department of the Treasury's Office of Terrorism and Financial Intelligence (TFI)
- **What are OFAC's authorities?**
 - Presidential national emergency powers (e.g. IEEPA-based executive orders)
 - Certain legislation, to impose controls on transactions and freeze assets under jurisdiction (e.g. CISADA)
 - Many of the sanctions are based on United Nations and other international mandates, are multilateral in scope, and involve close cooperation with allied governments



Federal Register

Friday,
July 1, 2005

Part V

The President

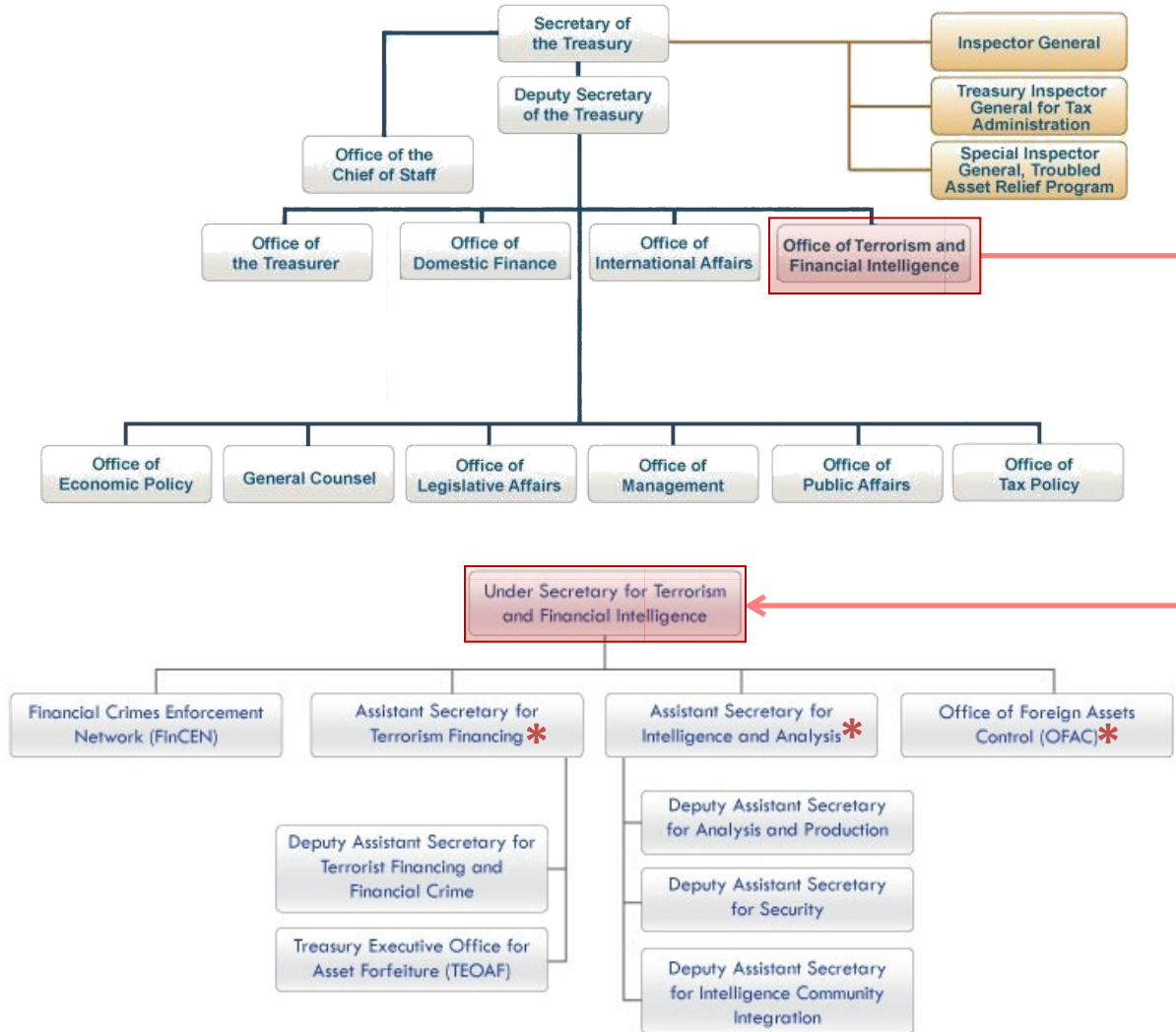
Executive Order 13582—Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters



Treasury: Organizational Structure

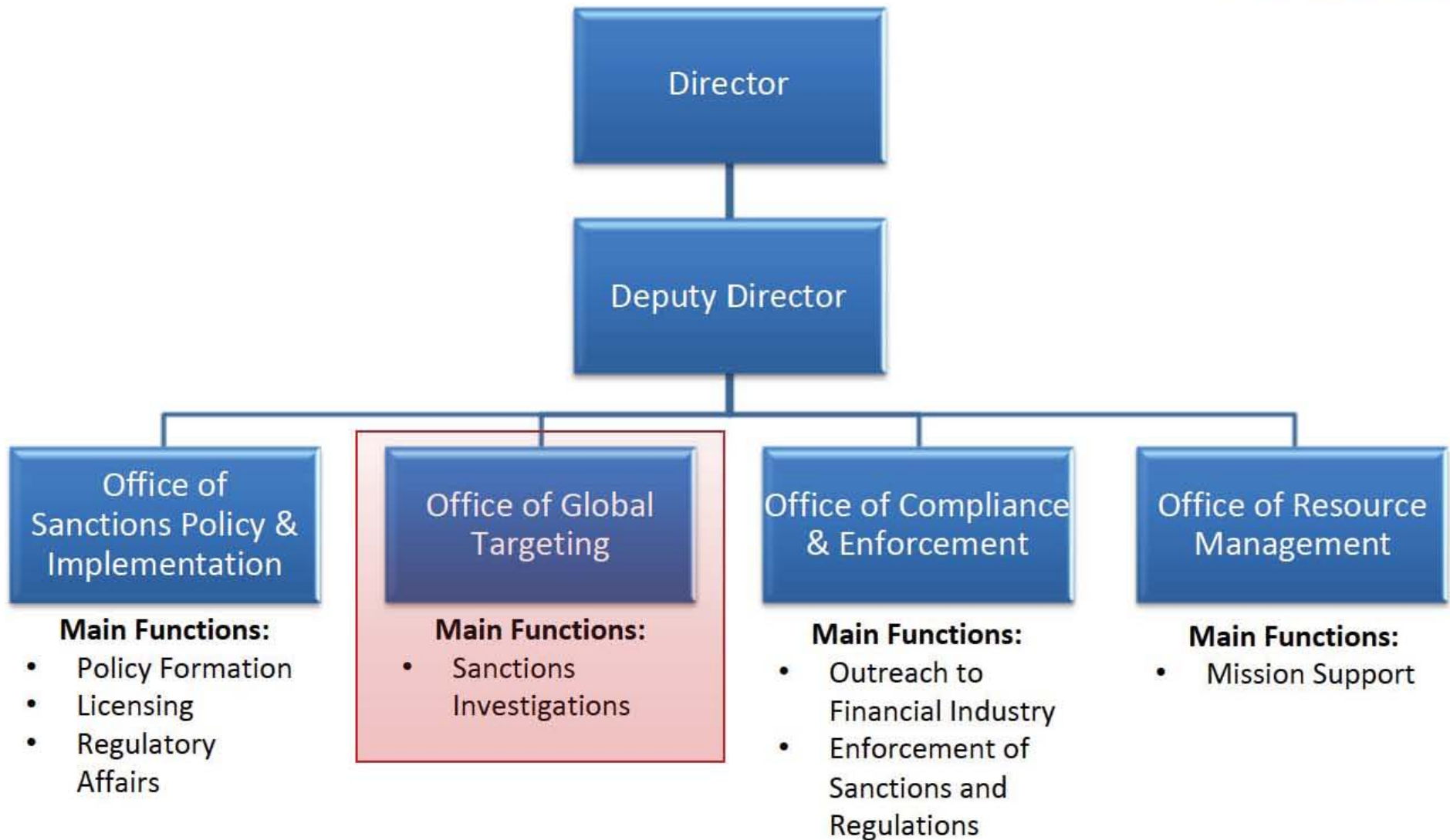
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OFFICE OF FOREIGN ASSETS CONTROL





OFAC: Organizational Structure





Designation Process: A Continuous Cycle

OFAC

OFFICE OF FOREIGN ASSETS CONTROL





Identifying Targets



- OFAC uses a variety of tools and information to identify potential targets:
 - Self-disclosures
 - Information received from other OFAC departments
 - Current investigations
 - Referrals from U.S. government agencies
 - Referrals from foreign government agencies
 - Publicly available information
 - Tips/informants

Terrorism and Financial Intelligence
Office of Foreign Assets Control (OFAC)

U.S. DEPARTMENT OF THE TREASURY

Mission History Resources Contacts

Contact us by Telephone

When Should I Call the OFAC Hotline?
Toll Free Hotline 1-800-540-6322
Local Hotline 1-202-622-2490
OFAC Licensing Division (Direct) 1-202-622-2480
OFAC Fax-on-demand document service 1-202-622-0077

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Iran 'trying to evade sanctions on oil exports' with night transfers near Malaysia

Iran is trying evade US sanctions by secretly storing oil bound for Asia at a little-known port in Malaysia.



OFAC

OFFICE OF FOREIGN ASSETS CONTROL

Gathering and Evaluating Information

- OFAC uses a variety of data streams to evaluate and validate potential violations of sanctions
 - Information received from other OFAC departments
 - Suspicious activity reporting from financial institutions
 - Law enforcement information
 - Intelligence community reporting
 - Foreign government information
 - United Nations expert panels





Outreach and Cooperation



- Treasury may conduct outreach to effect a change in behavior prior to designation
 - Foreign Travel by Treasury Principals
 - OFAC and TFI Attachés
 - Engagement with foreign governments
 - OFAC Compliance
 - Engagement with financial institutions
 - OFAC Enforcement
 - Engagement with non-financial institutions
 - Working level visits by Treasury TFI staff

Treasury Targets Networks Linked To Iran

2/6/2014

Underscores U.S. Commitment to Enforce Iran Sanctions Worldwide

Nayebi, Hosseinpour, and Farsoudeh deceived the financial regulatory authorities of the Republic of Georgia by withholding required reports of transactions involving Iranian banks. The Government of Georgia has worked closely with the United States to detect and address illicit and deceptive Iranian behavior in Georgia, and it has taken steps to ensure that Iranian entities under U.S. and international sanctions are prevented from exploiting the Georgian financial system.



Evidentiary Drafting



- OFAC drafts an evidentiary memorandum on the basis for a target's designation
 - An evidentiary memorandum is the administrative record of OFAC's legal basis for levying sanctions
 - Comprehensively sourced legal documents
 - Contain classified and/or unclassified material
 - Evidentiaries are reviewed by Treasury legal counsel and Justice Department (DOJ) attorneys to ensure legal sufficiency
 - DOJ is responsible for defending OFAC actions in U.S. courts
 - Legal standard is administrative - "reason to believe" - but the stronger the case, the better
- Department of State and other relevant agencies are consulted to ensure OFAC actions are consistent with, and complement, other U.S. government activities



OFAC

OFFICE OF FOREIGN ASSETS CONTROL

Designation and Public Announcement



- After legal review and approval, OFAC's director signs a designation and blocking memorandum which formally sanctions the target
 - Sanctions are given public effect via OFAC's list of Specially Designated Nationals and Blocked Persons (SDN List) and publication in the Federal Register
 - OFAC prepares a press release summarizing the basis for designation and information about the SDN's activities
 - All OFAC actions, including designations and publications of documents, are posted on treasury.gov

U.S. DEPARTMENT OF THE TREASURY

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Economic Policy
Financial Markets, Financial Institutions, and Fiscal Service
Financial Sanctions
Specially Designated Nationals List (SDN List)
Consolidated Sanctions List
Search OFAC's Sanctions List
Additional Sanctions Lists
OFAC Recent Actions
Complete List of Sanctions Programs and Country Information
Frequently Asked Questions
OFAC Civil Penalties and Enforcement
OFAC Events and

Resource Center

2015 OFAC Recent Actions

RSS Sign up for OFAC Recent Actions e-mail updates

Date	Description
October	
10/01/2015	Kingpin Act Designations
September	
09/29/2015	Counter Terrorist Designations
09/18/2015	Publication of Updated Cuban Assets Control Regulations (CACR)
09/17/2015	Kingpin Act Designations
09/10/2015	Counter Terrorist Designations
08/04/2015	Counter Terrorist Designations
08/03/2015	Counter Terrorist Designations

OFAC QUICK LINKS

- Specially Designated Nationals (SDN) and Blocked Persons List
- Search OFAC's Sanctions List
- OFAC News and Recent Actions
- Frequently Asked Questions on Sanctions
- Apply for an OFAC License
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- Contact OFAC

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10/19/2016
Statement by Treasury Deputy Secretary Sarah Bloom Raskin marking National Cybersecurity Awareness Month

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Featured Photo

Secretary Jacob J. Lew discussed "The New 10" announcements and...

OFFICE OF FOREIGN ASSETS CONTROL
Specially Designated Nationals and Blocked Persons List

October 1, 2016

U.S. DEPARTMENT OF THE TREASURY
Press Center

Treasury Designates Libyan for Political Obstruction and Undermining Peace, Security, or Stability of Libya

4/19/2016

Action Follows New Executive Order Issued Today and Underscores United States Government Support for the New Libyan Government of National Accord



Post-Designation Monitoring

- After designation, OFAC continues to monitor for compliance, enforcement, and additional targeting opportunities
 - Information received from other OFAC departments
 - Referrals from other USG agencies
 - Public information
 - Corporate records
 - Press reporting
 - Law enforcement and intelligence community reporting
 - Self-disclosures
 - Anonymous tips



INVESTMENT BANKING | LEGAL/REGULATORY

BNP Paribas Admits Guilt and Agrees to Pay \$8.9 Billion Fine to U.S.

By BEN PROTESS and JESSICA SILVER-GREENBERG | JUNE 20, 2014 4:22 PM | 34 Comments



ENFORCEMENT INFORMATION FOR DECEMBER 11, 2012

HSBC Holdings plc Settles Potential Liability for Apparent Violations of Multiple Sanctions Programs: HSBC Holdings plc ("HSBC Holdings") has agreed to remit \$375,000,000 to settle potential civil liability on behalf of it and certain of its affiliates (collectively "HSBC Group") for apparent violations of the Cuban Assets Control Regulations ("CACR"), 31 C.F.R. part 515, the Burmese Sanctions Regulations ("BSR"), 31 C.F.R. part 537, the Sudanese Sanctions Regulations ("SSR"), 31 C.F.R. part 538, the now-repealed Libyan Sanctions Regulations ("LSR"), 31 C.F.R. part 550, and the Iranian Transactions Regulations ("ITR"), 31 C.F.R. part 560. HSBC Holdings' settlement with the Office of Foreign Assets Control ("OFAC") is part of a global sanctions-related settlement among HSBC Holdings, OFAC, the U.S. Department of Justice, the New York County District Attorney's Office, and the Federal Reserve Board of Governors. HSBC Holdings agreed to settle with OFAC for HSBC Group's apparent violations of OFAC regulations for \$375,000,000, with the obligation deemed satisfied by a payment of \$375,000,000 to the Department of Justice and the New York County District Attorney's Office.



Designation Authorities: Overview

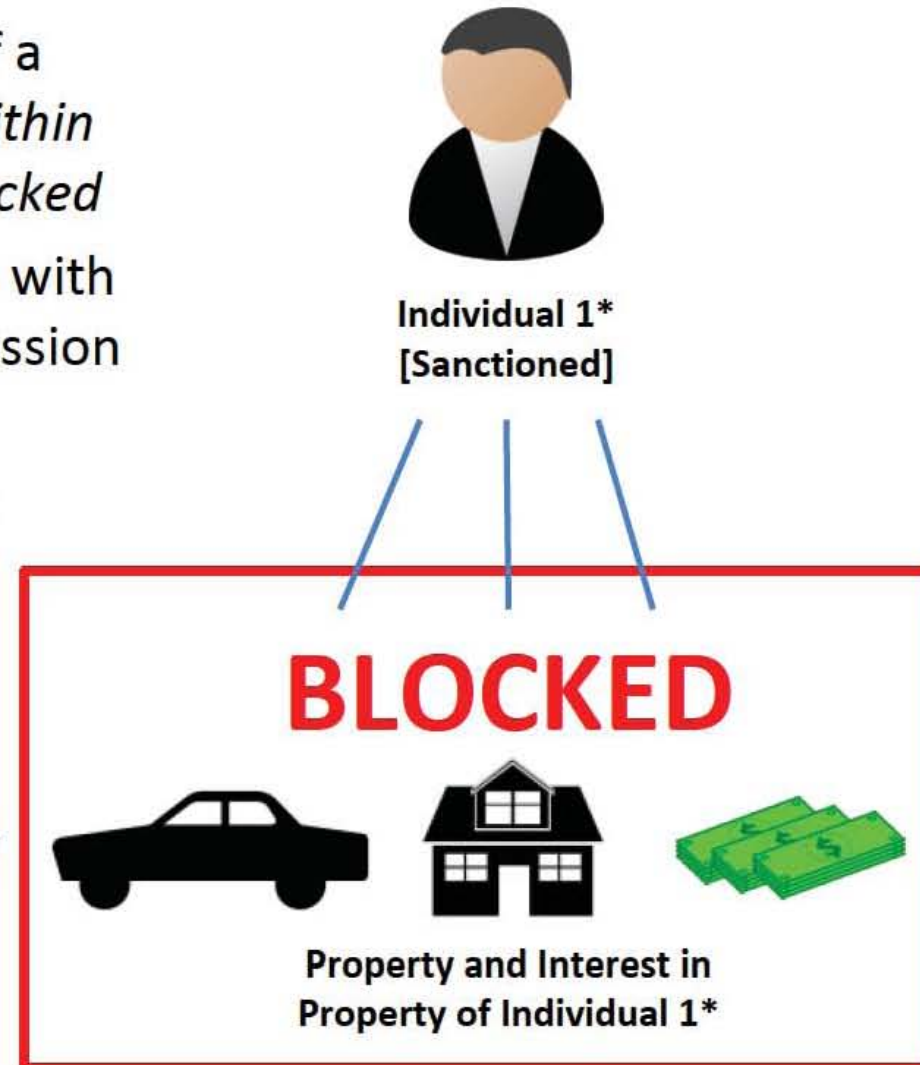
- OFAC administers and enforces 28 sanctions programs and maintains over 5,500 entries on the SDN List
- Programs generally grouped by:
 - **Geographic:** Belarus, Burma, Cuba, Iran, Libya, North Korea, Sudan, Syria, Yemen, and others
 - **Functional:** Counter Narcotics Trafficking, Counter Terrorism, Malign Cyber Activities, Non-Proliferation, Transnational Criminal Organizations, and others
- Each program has specific authorities that underpin the sanctions program, with unique legal criteria for designation





Blocking – Primary Impact

- Any property, or interest in property, of a targeted person or entity that *comes within the control of a U.S. person* must be *blocked*
- No U.S. person may transact in any way with blocked property without explicit permission or a license from OFAC
- Persons holding blocked property must report it to OFAC





Additional Effects of Sanctions

- Induce pressure on foreign governments to investigate, prosecute, or seize assets of targeted persons
- Bring negative public attention to the targets and raise reputational risk for associated third parties
- Make it difficult for targets to continue *any* modern financial activity, even with foreign banks – “voluntary compliance”
- Create pressure on associated non-designated members of the network, family members of SDNs, and others
- Provide follow on leads





Designation Criteria: Targeting

More Impactful Sanctions Target	Less Impactful Sanctions Target
Identifiable network (individual and entities) playing a key or significant role in the illicit activity	An individual or entity providing limited or easily replaceable support to the illicit activity
Networks with ties—and an incentive to maintain ties—to the international financial system	Networks with little contact or concern with the international financial system
Companies that do legitimate business in addition to illicit activities	Front companies that could be easily replaced or changed after a designation
Individuals who care about their public perception	Individuals who are not susceptible to—or could benefit from—a “naming and shaming” designation
Multiple credible sources of information and reporting on the network and activities	Limited information with unknown sourcing, reliability, or credibility
Full set of distinct identifiers to support implementation of the designation	Limited identifiers of unknown accuracy and general names that would create false positives



Identifying Information on Targets

- Identifiers are critical and the more detailed, the better
 - Individuals: Full name, date and place of birth, identification or passport numbers, address, nationality, gender, aliases or “also known as” (AKAs), alternate spellings
 - Entities: Address, registration/license numbers, sector-specific identifying codes

SDN Entries with Poor Identifiers

POTE, Selina; Deputy Secretary for Gender and Culture (individual) [ZIMBABWE].

AUTOMOBILE CORPORATION, Khartoum, Sudan [SUDAN].

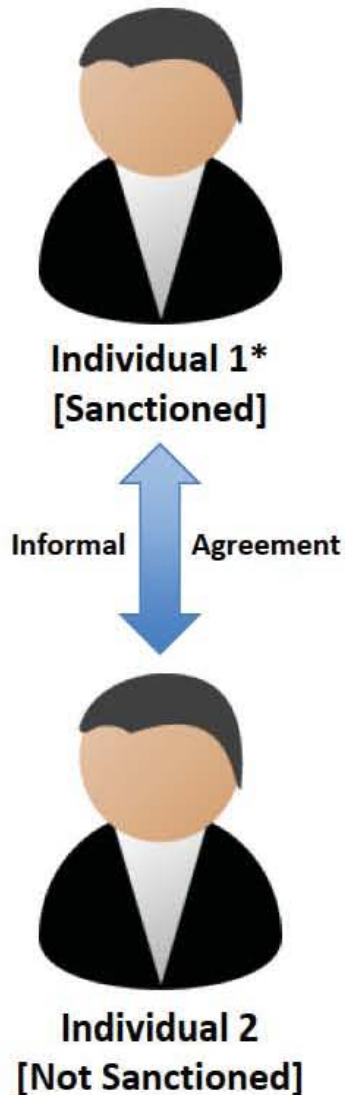
SDN Entries with Good Identifiers

TIMCHENKO, Gennady (a.k.a. TIMCHENKO, Gennadiy Nikolayevich; a.k.a. TIMCHENKO, Gennady Nikolayevich; a.k.a. TIMTCHENKO, Guennadi), Geneva, Switzerland; DOB 09 Nov 1952; POB Leninakan, Armenia; alt. POB Gyumri, Armenia; nationality Finland; alt. nationality Russia; alt. nationality Armenia (individual) [UKRAINE2].

KALASHNIKOV CONCERN (a.k.a. CONCERN KALASHNIKOV; a.k.a. IZHEVSKIY MASHINOSTROITEL'NYI ZAVOD OAO; f.k.a. IZHMASH R&D CENTER; f.k.a. JSC NPO IZHMASH; f.k.a. NPO IZHMASH OAO; a.k.a. OJSC CONCERN KALASHNIKOV; f.k.a. OJSC IZHMASH; f.k.a. SCIENTIFIC PRODUCTION ASSOCIATION IZHMASH JOINT STOCK COMPANY), 3, Derjabin Pr., Izhevsk, Udmurt Republic 426006, Russia; Registration ID 1111832003018 [UKRAINE2]



Criteria: Acting for or on behalf of



- Applies to individuals and entities
- “Acting for or on behalf of” can be interpreted to apply in many different scenarios and situations
- Basis for designation of most Executive Orders

Opens bank accounts for Individual 1*

Negotiates contracts for Individual 1*

Directs activity of others for Individual 1*

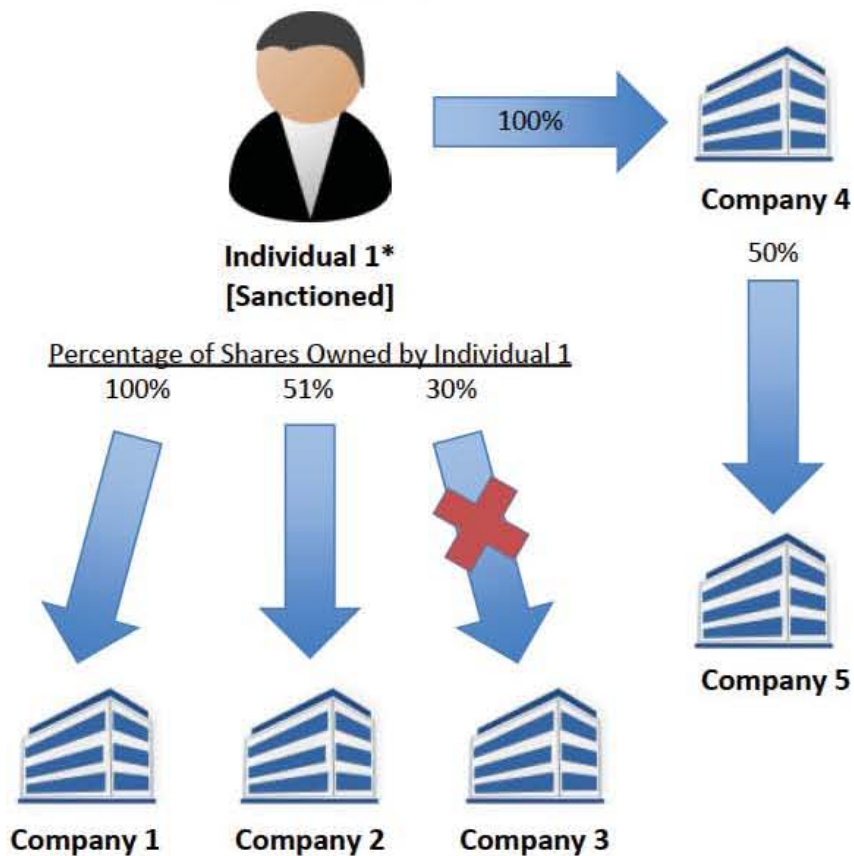
Represents Individual 1* in business affairs



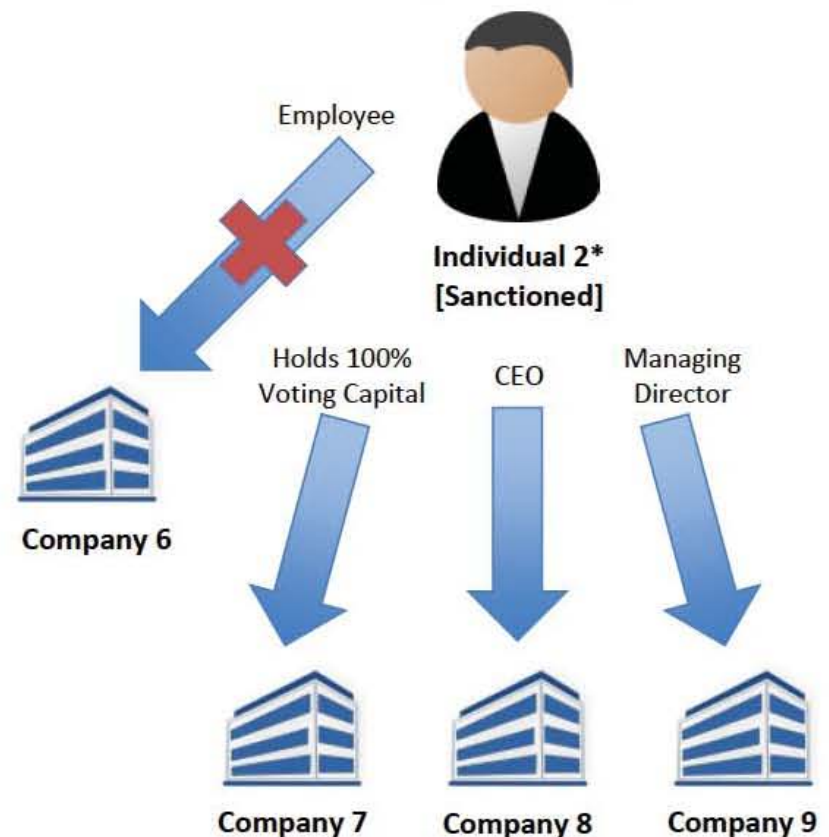
Unwitting
Individuals
and Entities

Criteria: Owned or controlled by

Owned By



Controlled By

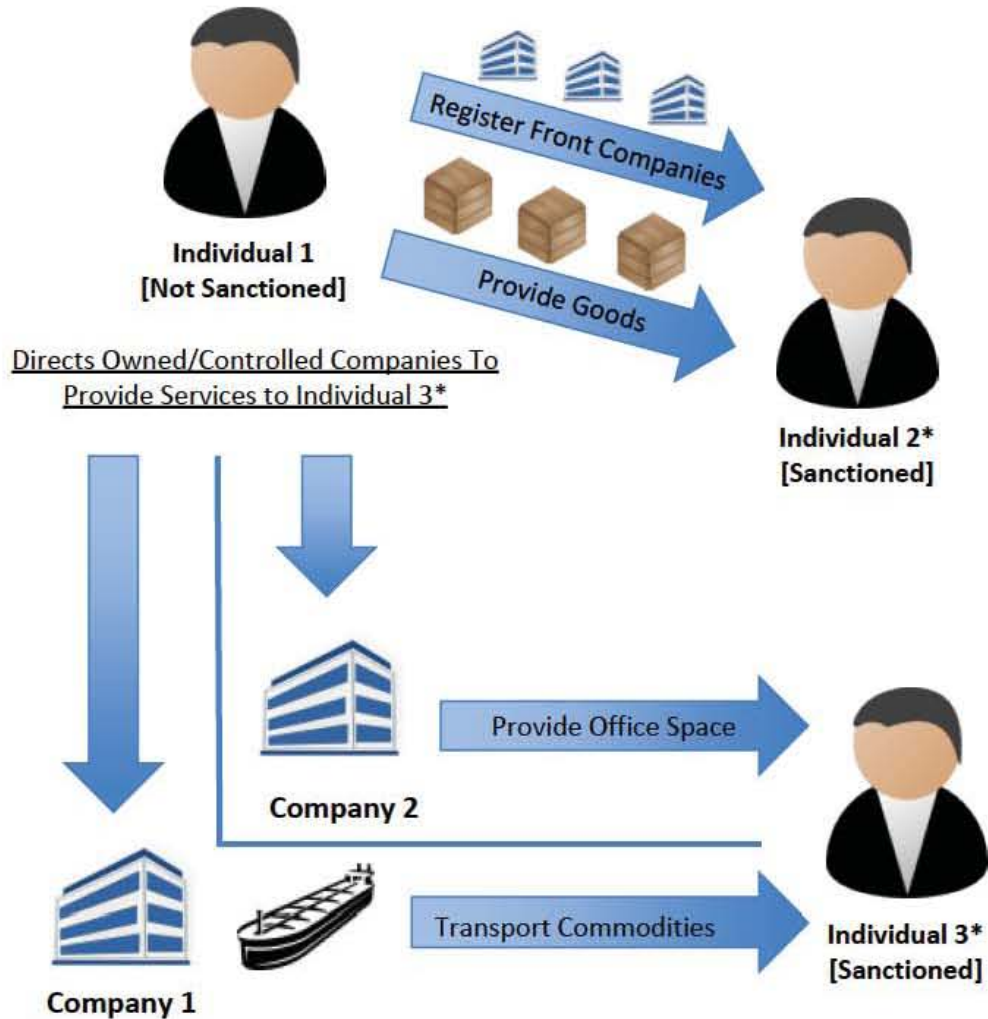


- Basis for designation of most Executive Orders; applies primarily to entities
- 50% Rule: Entities 50% or more owned by an SDN are automatically blocked, even if they are not themselves listed

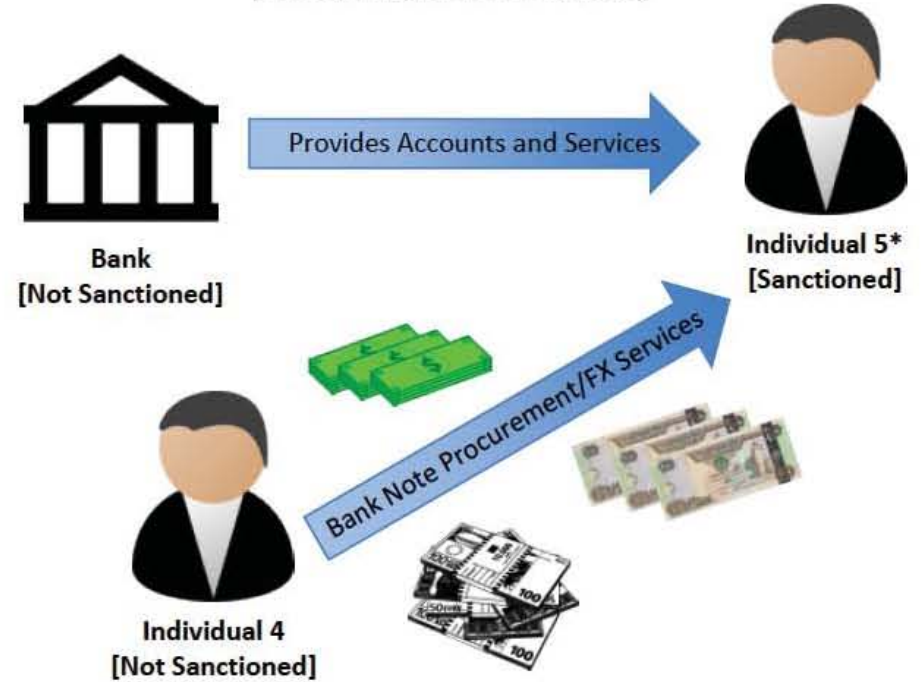


Criteria: Material assistance and support

Material Assistance/Support



Financial Assistance



- Material assistance or support is inclusive and can take many forms
- Basis for designation in most sanctions programs



OFAC SDN SEARCH

OFAC

OFFICE OF FOREIGN ASSETS CONTROL

http://sdnsearch.ofac.treas.gov/



O F A C

Office of Foreign Assets Control

SDN Search

Specially Designated Nationals
and Blocked Persons List Search

This SDN Search application ("SDN Search") is designed to facilitate the use of the Specially Designated Nationals and Blocked Persons list ("SDN List"). The SDN Search tool uses approximate string matching to identify possible matches between word or character strings as entered into SDN Search, and any name or name component as it appears on the SDN List. SDN Search has a slider-bar that may be used to set a threshold (i.e., a confidence rating) for the closeness of any potential match returned as a result of a user's search. SDN Search will detect certain misspellings or other incorrectly entered text, and will return near, or proximate, matches, based on the confidence rating set by the user via the slider-bar. OFAC does not provide recommendations with regard to the appropriateness of any specific confidence rating. SDN Search is one tool offered to assist users in utilizing the SDN list; use of SDN Search is not a substitute for undertaking appropriate due diligence. The use of SDN Search does not limit any criminal or civil liability for any act undertaken as a result of, or in reliance on, such use.

[Download the SDN List](#)
[Visit The OFAC Website](#)

SDN Lookup



Type:	All
Name:	Barakzai
ID #:	
Program:	All BALKANS BELARUS BPI-PA
Minimum Name Score:	100

Address:	
City:	
State/Province:*	
Country:	All

Search

Reset



Contact Information

Eurasia/Levant Section Office of Global Targeting Office of Foreign Assets Control (OFAC)

Name	Portfolio (Lead denoted by *)	Phone	Email
(b)(6), (b)(7)(C)	Acting Section Chief, Russia/Ukraine*, Iraq	(b)(6), (b)(7)(C) (b)(6), (b)(7)(C)	(b)(6), (b)(7)(C)
(b)(6), (b)(7)(C)	Balkans*, Syria*	(b)(6), (b)(7)(C) (b)(6), (b)(7)(C)	(b)(6), (b)(7)(C)



Balkans Program

- E.O. 13304 issued in May 2003 in response to illicit actions destabilizing the Balkans. Criteria:
 - **Being under open ICTY indictment**
 - **Committing or posing a risk of committing acts of violence that threaten the peace in or diminish the stability of a Western Balkans state**
 - **Obstructing the Dayton Accords, Ohrid Framework, or other regional peace treaties**
 - **Providing support to those previously designated**
 - **Owned or controlled, or acting for or on behalf of those previously designated**



OFAC

OFFICE OF FOREIGN ASSETS CONTROL

Russia/Ukraine Program

- **E.O. 13660 issued on March 6, 2014**
 - Those that undermine the democracy, peace, security, stability, sovereignty, and territorial integrity of Ukraine; and the misappropriation of state assets.
- **E.O. 13661 issued March 16, 2014**
 - Senior government officials of the Russian Federation, those that provide support to senior government officials/oligarchs and those that operate in the defense sector of the Russian Federation.
- **E.O. 13662 issued on March 20, 2014**
 - Entities operating in the financial, energy, metals, mining and defense sectors of the Russian Federation.
- **E.O. 13685 issued on December 19, 2014**
 - Individuals and entities operating in Crimea.



FW: Novatek

From: (b)(6)
To: "Smith, JohnDisabled" (b)(6) "Gacki, Andrea" (b)(6) "Smith, Bradley"
(b)(6) "Gatjanis, Gregory" (b)(6) "Baheri, Leila"
(b)(6)
Date: Tue, 22 Jul 2014 17:35:48 -0400
Attachments: Novatek 1 pager.pdf (331.28 kB); Novatek press statement.pdf (165.84 kB)

The FO asked me to reach out to this person over a year ago on another issue. As you can see below – he recently contacted me about Ukraine/Russia. I sent back a very short reply – but now he's emailed again. (b)(5)
(b)(5)

(b)(6)

From: Ayal Frank [mailto:(b)(6)]
Sent: Tuesday, July 22, 2014 4:23 PM
To: (b)(6)
Subject: RE: Novatek

(b)(6) – good afternoon. Thought you would find useful the attached one pager and Novatek statement. Perhaps, we can discuss. I thanks in advance. Regards, Ayal

From: (b)(6)
Sent: Friday, July 18, 2014 3:41 PM
To: Ayal Frank
Subject: RE: Novatek

Hi Ayal,

Thank you for the note. I would refer you to the press release issued (pasted below for convenience) and the Executive order (E.O. 13662) under which we took action.

Hope this is helpful.

Cheers,

(b)(6)



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

FOR IMMEDIATE RELEASE: July 16, 2014
CONTACT: Hagar Chemali, Treasury Public Affairs (202) 622-2960

ANNOUNCEMENT OF TREASURY SANCTIONS ON ENTITIES WITHIN THE FINANCIAL SERVICES AND ENERGY SECTORS OF RUSSIA, AGAINST ARMS OR RELATED MATERIEL ENTITIES, AND THOSE UNDERMINING UKRAINE'S SOVEREIGNTY

2018-08-116: 009241

*Actions Implement Executive Order 13662 against
Two Russian Financial Institutions and Two Energy Firms.*

*Actions also Target Eight Defense Technology Entities, Three Separatists, One Entity Complicit in the
Misappropriation of Ukrainian State Assets, and Four Russian Government Officials*

WASHINGTON – In response to Russia’s continued attempts to destabilize eastern Ukraine and its ongoing occupation of Crimea, the U.S. Department of the Treasury today imposed a broad-based package of sanctions on entities in the financial services, energy, and arms or related materiel sectors of Russia, and on those undermining Ukraine’s sovereignty or misappropriating Ukrainian property. More specifically:

- * Treasury imposed sanctions that prohibit U.S. persons from providing new financing to two major Russian financial institutions (Gazprombank OAO and VEB) and two Russian energy firms (OAO Novatek and Rosneft), limiting their access to U.S. capital markets;
- * Treasury designated eight Russian arms firms, which are responsible for the production of a range of materiel that includes small arms, mortar shells, and tanks;
- * Treasury designated the “Luhansk People’s Republic” and the “Donetsk People’s Republic,” which have asserted governmental authority over parts of Ukraine without the authorization of the Government of Ukraine; and Aleksandr Borodai, the self-declared “prime minister” of the Donetsk People’s Republic, for threatening the peace, security, stability, sovereignty, and territorial integrity of Ukraine;
- * Treasury designated Feodosiya Enterprises, a key shipping facility in the Crimean peninsula, because it is complicit in the misappropriation of state assets of Ukraine; and
- * Treasury designated four Russian government officials, including Sergey Beseda, a senior Russian Federal Security Service official.

These actions do more than build upon previous steps to impose costs on separatists and the Russian government. By imposing sanctions on entities within the financial services and energy sectors, Treasury has increased the cost of economic isolation for key Russian firms that value their access to medium- and long-term U.S. sources of financing. By designating firms in the arms or related materiel sector, Treasury has cut these firms off from the U.S. financial system and the U.S. economy.

“Russia has continued to destabilize Ukraine and provide support for the separatists, despite its statements to the contrary,” said Under Secretary for Terrorism and Financial Intelligence David S. Cohen. “Because Russia has failed to meet the basic standards of international conduct, we are acting today to open Russia’s financial services and energy sectors to sanctions and limit the access of two key Russian banks and two key energy firms to U.S. sources of financing, and to impose blocking sanctions against eight arms firms and a set of senior Russian officials.”

*Identification of the Financial Services Sector of Russia and the Prohibition of Certain Types of Activities with
Two Russian Banks Pursuant to E.O. 13662*

Today, Treasury Secretary Jacob J. Lew determined that persons operating within Russia’s financial services sector may now be subject to targeted sanctions. Following Secretary Lew’s determination, Treasury imposed measures prohibiting U.S. persons and persons within the United States from transacting in, providing financing for, or otherwise dealing in new debt of longer than 90 days maturity or new equity for Gazprombank OAO and VEB, their property, or their interests in property. As a practical matter, this step will close the medium- and long-term U.S. dollar lending window to these banks, and will impose additional significant costs on the Russian Government for its continued activities in Ukraine.

We have not blocked the property or interests in property of these banks, nor have we prohibited transactions with them beyond these specific restrictions. However, the scope of the prohibited transaction types and the number of financial institutions may be expanded under E.O. 13662 if we decide to do so.

Gazprombank OAO is a Russian financial institution, which was originally established to provide financial services to companies in Russia’s energy industry, but has expanded to provide services to more than 45,000

companies and 3 million private individuals. Gazprombank OAO has more than 40 branches across Russia, and a number of international subsidiaries. Gazprombank OAO specializes in the private banking and corporate financing services.

VEB is a Russian state-owned financial institution that acts as a development bank and payment agent for the Russian government. It was formed June 8, 2007, pursuant to Russian federal law and is the legal successor to Vnesheconombank of the USSR, which was a specialized Russian state bank. VEB's supervisory board is chaired by the Russian prime minister, and the chairman of the bank is appointed by the Russian president. VEB acts as an agent for the Russian Government for the purposes of accounting, servicing, and repaying the sovereign debts of the former USSR and Russia; accounting, servicing, and repaying government loans issued by the former USSR and Russia to foreign borrowers; collecting debts from legal entities of Russia and municipal governments; providing and executing state guarantees of Russia and monitoring projects implemented by Russia with involvement of international financial institutions.

Identification of the Energy Sector of Russia and the Prohibition of Certain Types of Activities with Two Russian Energy Firms Pursuant to E.O. 13662

Today, Secretary Lew determined that persons operating within Russia's energy sector may now be subject to targeted sanctions. Following Secretary Lew's determination, Treasury imposed measures that prohibit U.S. persons and persons within the United States from transacting in, providing financing for, or otherwise dealing in new debt of longer than 90 days maturity for Russian energy firms OAO Novatek and Rosneft, their property, or their interests in property. As with the financial institutions, we have not blocked the property or interests in property of these companies, nor prohibited transactions with them beyond these specific restrictions. However, the scope of the prohibited transaction types and the number of energy companies may be expanded under the authorities of E.O. 13662, if the Russian government does not take steps to de-escalate the situation in Ukraine.

OAO Novatek is Russia's largest independent natural gas producer.

Rosneft is Russia's largest petroleum company and third largest gas producer. Treasury designated Rosneft's President and Chairman of the Board, Igor Sechin, on April 28, 2014, pursuant to E.O. 13661.

Imposition of Sanctions on Eight Firms Pursuant to E.O. 13661 for Operating in the Arms or Related Materiel Sector in the Russian Federation

Treasury today has also designated and blocked the assets of Almaz-Antey, Federal State Unitary Enterprise State Research and Production Enterprise Bazalt, JSC Concern Sozvezdie, JSC MIC NPO Mashinostroyenia, Kalashnikov Concern, KBP Instrument Design Bureau, Radio-Electronic Technologies, and Uralvagonzavod pursuant to E.O. 13661 for operating in the arms or related materiel sector in the Russian Federation. The designated firms are responsible for the production of a range of materiel, from small arms to mortar shells to tanks. As a result of today's action under E.O. 13661, any assets of the entities designated that are within U.S. jurisdiction must be frozen. In addition, transactions by U.S. persons or within the United States involving the entities designated today under E.O. 13661 are generally prohibited.

Almaz-Antey manufactures surface-to-air missile systems currently used by the Russian military.

Federal State Unitary Enterprise State Research and Production Enterprise Bazalt ("Bazalt") is involved in the design and construction of air launched ordnance, rocket propelled grenades, and armored fighting vehicle ammunition. Bazalt's manufacturing interests include aerial bombs, mortar shells, grenades, anti-tank and anti-saboteur grenade launchers, and projectiles of all types and calibers.

JSC Concern Sozvezdie develops and produces high-tech control and communication systems, radio electronic warfare and special equipment for military forces. JSC Concern Sozvezdie focuses on three primary lines of production: military-oriented production, dual-purpose products, and dual-purpose products

and professional communication and control systems. JSC Concern Sozvezdie's main activities include producing and developing materiel including automated control systems and communication systems for the tactical sector, automated control systems and communication systems for anti-missile defense and air defense systems, and automated communication systems and electronic warfare tools. The company produces systems and devices related to electronic warfare, such as small manpack and portable jammers. The products are designed to disrupt enemy army operations, to reduce staff and equipment loss, and to improve the operation of armed forces by radio jamming of enemy weapon control systems based on radio frequencies.

JSC MIC NPO Mashinostroyenia is a leading Russian rocketry company responsible for defense programs involving cruise missile complexes capable of surface, underwater, and ground platform-based launches. JSC MIC NPO Mashinostroyenia's involvement in Russia's strategic nuclear forces includes the manufacture of intercontinental ballistic rockets and the development of space systems, spacecraft, and automatic and manned orbital stations in support of Russia's Ministry of Defense.

Kalashnikov Concern produces a number of military weapons, including multiple grades and versions of assault rifles, grenade launchers, sniper rifles, military shotguns, and aircraft cannons. Kalashnikov Concern is the largest firearms producer in Russia and is a subsidiary of Russia's State Corporation of Russian Technologies (Rostec).

KBP Instrument Design Bureau is a research and production center that creates precision-guided weapons. KBP Instrument Design Bureau develops antitank missile systems and assault armaments, weapon systems for main battle tanks and lightly armored vehicles, guided artillery projectiles and guided missile systems, short-range air defense systems, gun armament and associated ammunition, combat small arms, and hunting/sporting guns.

Radio-Electronic Technologies designs and produces electronic warfare equipment including weapons-control systems, friend-or-foe identification (IFF) systems, avionics, operational and tactical systems, electronic warfare and intelligence equipment, special measuring instrumentation, and plugs, electric connectors, and cable products.

Uralvagonzavod is a Russian government-owned company that builds a variety of military equipment, including tanks.

Imposition of Sanctions on Two Entities and One Individual Pursuant to E.O. 13660

The following two entities and one individual are being designated and blocked today pursuant to E.O. 13660 for threatening the peace, security, stability, sovereignty, or territorial integrity of Ukraine.

The Treasury Department has determined that the **Luhansk People's Republic** (LPR) has asserted governmental authority over a part or region of Ukraine without the authorization of the Government of Ukraine. The self-proclaimed LPR has asserted governmental authority through a number of actions, including issuing a declaration of martial law; banning the sale of corporate rights, production facilities, companies, and other assets; controlling the border guard checkpoints of Izvarino, Dolzhanskoye, and Krasnyi Partizansk on the Ukrainian-Russian border; and, shooting down a Ukrainian military transport jet as it attempted to land in Luhansk. The LPR also elected a leader and passed its own constitution on May 11, 2014.

The Treasury Department has also determined the **Donetsk People's Republic** to have asserted governmental authority over a part or region of Ukraine without the authorization of the Government of Ukraine. The militia in the self-proclaimed Donetsk People's Republic is defying the peaceful settlement regime, continues combat operations, and has seized and occupies regional government buildings, using them as its headquarters and firing positions. Igor Strelkov, the leader of the militia of the Donetsk People's Republic, rejected Ukrainian President Petro Poroshenko's peace plan.

Aleksandr Borodai is the self-declared "prime minister" of the "Donetsk People's Republic" in Ukraine and

has vowed to expel Ukraine's army from his new domain and resist any bid to recapture the city. Borodai was in Crimea as an advisor to Sergei Aksyonov, the separatist prime minister who oversaw the territory's purported annexation by Russia. Treasury designated Aksyonov pursuant to E.O. 13660 on March 17, 2014.

Imposition of Sanctions on Crimean Entity Pursuant to E.O. 13660

The following Crimea-based entity is being designated pursuant to E.O. 13660 for being complicit in the misappropriation of state assets of Ukraine.

Feodosiya Enterprise operates a key shipping facility in the Crimean peninsula for oil imports and exports. Prior to Russia's purported annexation of Crimea, Feodosiya Enterprise had been controlled by the Ukrainian state-controlled gas company Naftogaz. On March 25, 2014, the separatist self-styled "Crimean Parliament" nationalized Feodosiya Enterprise and decreed that the self-styled "Crimean Ministry of Fuel and Energy" would be the governing body of Feodosiya Enterprise. The separatist "Minister of Fuel and Energy" asserting authority in occupied Crimea has confirmed that, as of April 15, 2014, separatist authorities in Crimea were provided with fuel by Russian oil companies using the storage facility operated by Feodosiya Enterprise.

Imposition of Sanctions on Four Individuals Pursuant to E.O. 13661

The following four individuals are being designated today pursuant to E.O. 13661 for their status as Russian government officials.

Sergey Besesda heads Russia's Federal Security Service (FSB)'s Fifth Service, also known as the Service for Operational Information and International Communications.

Oleg Savelyev is Russia's Minister for Crimean Affairs. In this capacity, Savelyev is responsible for the integration of occupied Crimea into the Russian Federation following Russia's purported annexation of Crimea from Ukraine.

Sergei Neverov is the Deputy Chairman of the State Duma of the Russian Federation. Neverov is responsible for initiating legislation to integrate the purportedly annexed Ukrainian region of Crimea into the Russian Federation.

Igor Shchegolev is an Aide to the President of the Russian Federation.

As a result of today's actions under E.O. 13660 and E.O. 13661, any assets of the entities or individuals designated that are within U.S. jurisdiction must be frozen. Additionally, transactions by U.S. persons or within the United States involving the entities or individuals designated today under E.O. 13660 or E.O. 13661 are generally prohibited.

For identifying information on the individuals and entities named in this release, please click [here](#).

###



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From: Ayal Frank [mailto:(b)(6)]
Sent: Friday, July 18, 2014 12:57 PM
To: (b)(6)
Subject: Novatek

Dear (b)(6) –

Good afternoon, hope you are having a good day.

Qorvis MSLGROUP represents Novatek, a n independent natural gas producer headquartered in Moscow and listed on the London Stock Exchange (LSE: NVTK). Novatek is a publicly held company meeting the financial controls and requirements for listing on the London Stock Exchange.

As I expect you know, Novatek is also one of the companies that was sanctioned this past Wednesday by OFAC under the following section:

“The following transactions by U.S. persons or within the United States are hereby prohibited: transacting in, providing financing for, or otherwise dealing in new debt of longer than 90 days maturity for these persons (listed below), their property, or their interests in property. All other transactions with these persons or involving any property in which one or more of these persons has an interest are permitted, provided such transactions do not otherwise involve property or interests in property of a person blocked pursuant to Executive Order 13660, 13661, or 13662, or any other sanctions programs implemented by the Office of Foreign Assets Control.”

I would like to understand why Novatek was put on the most recent sanctions list for debt, perhaps you can provide me some guidance.

Happy to meet or talk by telephone at your convenience.

Thanks in advance for your time and consideration.

Best regards, Ayal

Ayal Frank
Vice President, Qorvis MSLGROUP
(b)(6)

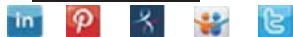
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T: (b)(6)
M: (b)(6)



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2018-08-116: 009246

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Re: Novatek

From: (b)(6)
To: "Smith, JohnDisabled" (b)(6) "Gacki, Andrea" (b)(6) "Smith, Bradley"
(b)(6) "Gatjanis, Gregory" (b)(6) "Baheri, Leila"
Date: Tue, 22 Jul 2014 17:59:34 -0400

Sounds good - will do.

From: Smith, John
Sent: Tuesday, July 22, 2014 05:57 PM Eastern Standard Time
To: (b)(6) Gacki, Andrea; Smith, Bradley; Gatjanis, Gregory; Baheri, Leila
Subject: RE: Novatek

I would suggest you respond and simply thank him for passing the docs along. If he persists, ask him to put any request in writing (not sure whether it'd be for a license or a delisting).

From: (b)(6)
Sent: Tuesday, July 22, 2014 5:36 PM
To: Smith, John; Gacki, Andrea; Smith, Bradley; Gatjanis, Gregory; Baheri, Leila
Subject: FW: Novatek

The FO asked me to reach out to this person over a year ago on another issue. As you can see below – he recently contacted me about Ukraine/Russia. I sent back a very short reply – but now he's emailed again. (b)(5)

(b)(6)

Duplicative of content in pages marked with Bates Numbers: 2018-08-116: 009241-009247



Bates Nos. 2018-08-116:

009249 - 009254

Duplicative of Content in Pages

Marked with Bates Nos:

009241 – 009247

Fw: Novatek

From: (b)(6)
To: "Smith, JohnDisabled" (b)(6)
Date: Fri, 25 Jul 2014 12:06:03 -0400

He's not letting up

From: Ayal Frank [mailto:(b)(6)]
Sent: Friday, July 25, 2014 11:59 AM Eastern Standard Time
To: (b)(6)
Subject: RE: Novatek

(b)(6) – Good day. Novatek's director of public affairs will be in Washington next week, and I am trying to identify someone at Treasury with whom he can meet. The director would welcome the chance to provide his perspective on the company and its operations. Can you assist? Thank you and regards, Ayal

From: (b)(6)
Sent: Friday, July 18, 2014 3:41 PM
To: Ayal Frank
Subject: RE: Novatek

Hi Ayal,

Thank you for the note. I would refer you to the press release issued (pasted below for convenience) and the Executive order (E.O. 13662) under which we took action.

Hope this is helpful.

Cheers

(b)(6)



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

FOR IMMEDIATE RELEASE: July 16, 2014

CONTACT: Hagar Chemali, Treasury Public Affairs (202) 622-2960

ANNOUNCEMENT OF TREASURY SANCTIONS ON ENTITIES WITHIN THE FINANCIAL SERVICES AND ENERGY SECTORS OF RUSSIA, AGAINST ARMS OR RELATED MATERIEL ENTITIES, AND THOSE UNDERMINING UKRAINE'S SOVEREIGNTY

*Actions Implement Executive Order 13662 against
Two Russian Financial Institutions and Two Energy Firms.*

Actions also Target Eight Defense Technology Entities, Three Separatists, One Entity Complicit in the

2018-08-116: 009255

Bates Nos. 2018-08-116:

009256 - 009261

Duplicative of Content in Pages

Marked with Bates Nos:

009242 – 009247

Re: Novatek

From: (b)(6)
To: "Baheri, Leila" (b)(6) "Smith, Bradley" (b)(6) "Smith, JohnDisabled" (b)(6)
(b)(6) Gatjanis, Gregory (b)(6) Fisch, EytanDisabled" (b)(6)
(b)(6) Tuchband, Matthew" (b)(6)

Date: Fri, 25 Jul 2014 16:52:26 -0400

Sounds good

From: Baheri, Leila
Sent: Friday, July 25, 2014 04:42 PM Eastern Standard Time
To: Smith, Bradley; Smith, John; (b)(6) Gatjanis, Gregory; Fisch, Eytan; (b)(6)
(b)(6) Tuchband, Matthew; (b)(6)
Subject: RE: Novatek

I agree with Brad.

From: Smith, Bradley
Sent: Friday, July 25, 2014 4:37 PM
To: Smith, John; (b)(6) Gatjanis, Gregory; Fisch, Eytan; (b)(6) Baheri, Leila; (b)(6)
(b)(6) Tuchband, Matthew (b)(6)
Subject: RE: Novatek

(b)(5)

From: Smith, John
Sent: Friday, July 25, 2014 4:09 PM
To: (b)(6) Gatjanis, Gregory; Fisch, Eytan; (b)(6) Baheri, Leila; (b)(6)
Smith, Bradley; Tuchband, Matthew (b)(6)
Subject: RE: Novatek

Not me. Defer to OGT or counsel as to whether they feel a meeting would be useful/not useful.

From: (b)(6)
Sent: Friday, July 25, 2014 4:07 PM
To: Smith, John; Gatjanis, Gregory; Fisch, Eytan; (b)(6) Baheri, Leila; (b)(6)
Smith, Bradley; Tuchband, Matthew; (b)(6)
Subject: Fw: Novatek

Does anyone want to meet with Novatek?

From : Ayal Frank [mailto:(b)(6)]
Sent: Friday, July 25, 2014 11:59 AM Eastern Standard Time
To: (b)(6)
Subject: RE: Novatek

(b)(6) Good day. Novatek's director of public affairs will be in Washington next week, and I am trying to identify someone at Treasury with whom he can meet. The director would welcome the chance to provide his perspective on the company and its operations. Can you assist? Thank you and regards, Ayal

From: (b)(6)
Sent: Friday, July 18, 2014 3:41 PM
To: Ayal Frank
Subject: RE: Novatek

Hi Ayal,

Thank you for the note. I would refer you to the press release issued (pasted below for convenience) and the Executive order (E.O. 13662) under which we took action.

Hope this is helpful.

Bates Nos. 2018-08-116:

009263 - 009268

Duplicative of Content in Pages

Marked with Bates Nos:

009241 – 009247

Re: Novatek

From: "Gatjanis, Gregory" (b)(6)
To: (b)(6) "Smith, Bradley" (b)(6) "Smith, JohnDisabled" (b)(6) "Fisch, EytanDisabled" (b)(6) (b)(6) "Baheri, Leila" (b)(6) (b)(6) "Tuchband, Matthew" (b)(6)
Date: Fri, 25 Jul 2014 17:07:28 -0400

I agree.

From: (b)(6)
Sent: Friday, July 25, 2014 04:53 PM Eastern Standard Time
To: Smith, Bradley; Smith, John; (b)(6) Gatjanis, Gregory; Fisch, Eytan; (b)(6)
Baheri, Leila; Tuchband, Matthew; (b)(6)
Subject: RE: Novatek

We should

(b)(5)
(b)(5)

(b)(6)

From: Smith, Bradley
Sent: Friday, July 25, 2014 4:37 PM
To: Smith, John; (b)(6) Gatjanis, Gregory; Fisch, Eytan; (b)(6) Baheri, Leila; (b)(6)
(b)(6) Tuchband, Matthew; (b)(6)
Subject: RE: Novatek

(b)(5)

(b)(5)

From: Smith, John
Sent: Friday, July 25, 2014 4:09 PM
To: (b)(6); Gatjanis, Gregory; Fisch, Eytan; (b)(6) Baheri, Leila; (b)(6);
Smith, Bradley; Tuchband, Matthew; (b)(6)
Subject: RE: Novatek

Not me. Defer to OGT or counsel as to whether they feel a meeting would be useful/not useful.

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Sent: Friday, July 25, 2014 4:07 PM
To: Smith, John; Gatjanis, Gregory; Fisch, Eytan; (b)(6) Baheri, Leila; (b)(6);
Smith, Bradley; Tuchband, Matthew; (b)(6)
Subject: Fw: Novatek

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From : Ayal Frank [mailto:(b)(6)]
Sent: Friday, July 25, 2014 11:59 AM Eastern Standard Time
To: (b)(6)
Subject: RE: Novatek

(b)(6) - Good day. Novatek's director of public affairs will be in Washington next week, and I am trying to identify someone at Treasury with whom he can meet. The director would welcome the chance to provide his perspective on the company and its operations. Can you assist? Thank you and regards, Ayal

From: (b)(6)
Sent: Friday, July 18, 2014 3:41 PM
To: Ayal Frank
Subject: RE: Novatek

Hi Ayal,

Bates Nos. 2018-08-116:

009270 - 009275

Duplicative of Content in Pages

Marked with Bates Nos:

009241 – 009247

Bates Nos. 2018-08-116:
009276 - 009283
Pending Consultation with
Dept. of State

Bates No. 2018-08-116: 009284
Submitter Notice Process
Initiated

Bates Nos. 2018-08-116:

009285 - 009289

Pending Consultation with DOJ