



EIB World Trade Headlines

Evolutions In Business • www.eib.com • (978) 256-0438
P.O. Box 4008, Chelmsford, MA 01824

March 15 - Volume 14, Issue 4

CELEBRATING OVER
30
YEARS

RUSSIA INVADES UKRAINE PART II

RUSSION SANCTIONS

EASY LISTENING:

<https://www.buzzsprout.com/1592353/10210863-eib-news-bulletin-update-russia-the-ukraine>

EASY WAY TO READ ALL THE ACTIONS

<https://www.bis.doc.gov/index.php/policy-guidance/country-guidance/russia-belarus>

NEWSLETTER NOTES

Bucks County Man sentenced to...

Russia Gains Control of Ukrainian Nuclear Power Plant

Citibank has a 9.8B Russia Headache

PayPal Quits Russia

Only 3% of our oil Comes From Russia

McDonalds, Starbucks and Coca-Cola Suspend Business in Russia...

BIS will Hold a 2022 Update Conference on Export Controls...

Former Tungsten Heavy Powder and Parts CEO Arrested...

Notice of a Continuation of the National Emergency with Respect to Venezuela.

Venezuela Releases at Least 2 Imprisoned Americans..

FOR IMMEDIATE RELEASE
Tuesday, March 1, 2022

Bucks County Man Sentenced to Nearly Four Years for Trafficking Firearms to St. Lucia

PHILADELPHIA - United States Attorney Jennifer Arbittier Williams announced that Thomas Harris Jr., 29, of Croydon, PA, was sentenced to three years and 10 months in prison, and three years of supervised release for multiple firearms trafficking offenses stemming from his scheme to sell almost 40 guns to a buyer on the island of St. Lucia.

In September 2020, the defendant was charged by Indictment with making false statements to a federal firearm licensee, dealing in firearms without a license, delivery of firearms to a common carrier without written notice, and smuggling goods from the United States. Harris purchased approximately 38 firearms in 12 transactions at two Bucks County gun shops between April 2019 and February 2020, and provided a false address as his place of residence on the required federal forms that he completed during each transaction. The defendant then illegally trafficked the guns to St. Lucia, a sovereign island nation in the West Indies, despite his not having a license to deal in firearms nor a license to export.

One of Harris's packages to St. Lucia was intercepted by federal agents at the warehouse of a local shipping company. Inside, concealed in household items such as packages of diapers, cat litter and laundry detergent, the agents found seven Glock semiautomatic pistols, one Ruger semiautomatic pistol, two AK-47 pattern pistols, two AK-47 pattern rifles, two AR-15 lower receivers, two AR-15 upper receivers, ten high-capacity Glock ammunition magazines, seven additional assorted ammunition magazines, and 815 rounds of ammunition.

"By shipping high-powered firearms to a foreign nation, the defendant displayed a brazen disrespect for our laws regulating and monitoring the sale of weapons," said U.S. Attorney Williams. "Trafficking in firearms overseas is a serious federal offense, and one for which our Office will hold offenders like Harris accountable."

"Firearms trafficking is at the forefront of ATF's mission," said Matthew Varisco, Special Agent in charge of ATF's Philadelphia Field Division. "Harris' sentencing should send the message to criminals that a blatant disregard of federal firearms laws will be investigated jointly by ATF and our local, state, and federal partners."

"The FBI continues to work with our law enforcement partners in pursuit of criminals whose actions violate our laws and put the citizenry of our country - or any other - in harm's way," said Special Agent in Charge Jacqueline Maguire. "We have a global reach. It doesn't matter if you are breaking laws and illegally trafficking guns within your state, within this country, or around the world. We will bring you to justice."

"Illegally exporting firearms from the United States is a serious violation of our nation's export control laws and often has dire consequences abroad," said Jonathan Carson, Special Agent in Charge of the U.S. Department of Commerce's Office of Export Enforcement, New York Field Office. "This case demonstrates the outstanding collaboration between the Office of Export Enforcement and our law enforcement partners to aggressively enforce export violations in the interest of national security in the U.S. and abroad."

The case was investigated by the U.S. Department of Commerce, Office of Export Enforcement, New York Field Office; the Bureau of Alcohol, Tobacco, Firearms, and Explosives; and the Federal Bureau of Investigation, and is being prosecuted by Assistant United States Attorney Joseph A. LaBar and U.S. Department of Justice National Security Division Trial Attorney Michael E. Eaton.

Topic(s): Firearms Offenses

Component(s): [USAO - Pennsylvania, Eastern](#)

Contact: UNITED STATES ATTORNEY'S OFFICE EASTERN DISTRICT OF PENNSYLVANIA 615 Chestnut Street, Suite 1250 Philadelphia, PA 19106

OFAC SDN List Update: Issuance of new Russia-related Executive Order and related General Licenses; Publication of new and amended Frequently Asked Questions; Russia-related Designations; North Korea Designations

The President has signed a new Russia-related Executive Order [Prohibiting Certain Imports, Exports, and New Investment with Respect to Continued Russian Federation Aggression](#).

The Department of the Treasury's Office of Foreign Assets Control (OFAC) has issued Russia-related [General License 17](#), [General License 18](#), and [General License 19](#) and [Ukraine-related General License 23](#). OFAC has also published [new Frequently Asked Questions](#) and [amended one Frequently Asked Question](#).

In addition, OFAC's Specially Designated Nationals List (SDN List) has been updated. [Please visit this page to access the latest version of the SDN list](#). Check this page periodically as it may also be updated if a new list-related format or product is offered.

[For more information on today's action, please visit this page.](#)

<https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20220311>

(*Continued On The Following Column)

Russia Gains Control of Ukrainian Nuclear Power Plant

A fire broke out at the Zaporizhzhia nuclear complex amid shelling from Russian forces, raising international alarm. Authorities say the blaze has been extinguished and the radiation levels appear normal.

Citi has a 9.8B Russia Headache

The bank warned investors Monday of exposure that includes loans, securities, funding commitments and cash at the country's central bank. It's also trying to exit Russia's retail banking market.

PAYPAL QUILTS RUSSIA

After facing immense pressure from over 70,000 petition signers, PayPal decided to suspend service to Russia. But Ukrainian petition starter Olena demands that PayPal take the next step to support those in Ukraine experiencing violence. The Vice Prime Minister has since released a statement asking PayPal to take the next step and open their services to Ukrainians. Join Olena in urging PayPal to open service to Ukraine in this critical time.

Only 3% of our Oil Comes From Russia

Biden to announce US ban on imports of Russian oil, according to two people with knowledge of the matter. The move could trigger a spike in already-high gas prices. President Biden is scheduled to speak at the White House this morning.

ONLY 3% of our OIL COMES FROM RUSSIA, THIS IS LARGELY SYMBOLIC, EUROPEANS GET A MUCH LARGER SHARE.

McDonald's, Starbucks and Coca-Cola Suspend Business in Russia Amid Mounting Public Pressure

The step comes after days of pressure on the corporate world to sever ties with the country over the invasion of Ukraine. The companies included McDonald's, Starbucks, Coca-Cola and PepsiCo, some of which had operated in Russia for decades and had faced heightened scrutiny in recent days as other companies elected to halt their business dealings.

The Bureau of Industry and Security (BIS) will hold the 2022 Update Conference on Export Controls and Policy

The Bureau of Industry and Security (BIS) will hold the 2022 Update Conference on Export Controls and Policy from Wednesday, June 29 through Friday, July 1 at the Marriott Marquis hotel in Washington, D.C. This 35th annual conference will be offered in a hybrid format, both in-person for two and a half days, and virtually for the first two days. Roundtable sessions on July 1 will be in-person only, and will not be live streamed or recorded. One evening reception is planned, on the first day. Sessions will include keynote speakers, plenaries, breakout sessions, and live Q&A with BIS and other agency experts.

Planned agenda offerings for this conference (subject to change) include:

- Global Plenary
- The Foreign Direct Product Rule and De minimis Rules
- Regulatory Updates
- Semiconductors
- Anatomy of an Export Enforcement Investigation
- Interagency Update
- Export Control Officers Abroad
- Surveillance and Human Rights
- Collaboration for Innovation in Research
- The Cyber Tool Rule
- Industrial Base and Supply Chain Choke Point Technologies
- DDTC Updates (proposed)
- Census Updates

Registered attendees will be able to access recorded sessions for a month after the date of the conference.

Participant safety is the priority of the Update Conference organizers. The conference organizers will be monitoring fluctuations in COVID-19 projections as well as monitoring local COVID management regulations. Should requirements from Washington, D.C. or the Marriott Marquis change, all participants will be notified of those changes. If Washington, D.C. or the Marriott Marquis require a change, or Covid transmissions rise, the Update Conference organizers reserve the right to switch to a fully virtual event out of an abundance of caution for all involved.

For additional information on the 2022 Update Conference, you may contact the Outreach and Educational Services Division at: UpdateConference@bis.doc.gov.

FOR IMMEDIATE RELEASE

Friday, March 4, 2022

Former Tungsten Heavy Powder & Parts CEO Arrested and Charged with Unlawful Exportation of Defense Articles including to The People’s Republic of China

Assistant U.S. Attorneys Kareem A. Salem (619) 546-8904 and John Parmley (619) 546-7957

NEWS RELEASE SUMMARY - March 4, 2022

SAN DIEGO - Joe Sery, former owner and chief executive officer of Tungsten Heavy Powder & Parts, and his brother, Dror Sery, are charged in a federal grand jury indictment unsealed today with violations of federal export laws pursuant to the International Traffic in Arms Regulations (ITAR).

Tungsten Heavy Powder & Parts, or THPP, is a San Diego-based company that provides tungsten fragments, sub-assemblies, and other weapon grade components for United States military contracts.

According to the indictment, between January 1, 2016, and December 12, 2019, Joe Sery entered into contracts with various aerospace and defense companies on behalf of THPP. Joe Sery then obtained ITAR- controlled technical data and drawings from these companies to allow THPP to fulfill the contracted order. Some of THPP’s projects included the construction of an Advanced Rapid Response Weapon, a 155-millimeter Bi-Modal Warhead, a R9E Warhead, and an 81-millimeter Cowling Cone. These drawings contained information, which is required for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance, or modification of defense articles.

Despite being educated and trained regarding the requirements of ITAR, Joe Sery and his brother Dror Sery – a foreign national and dual citizen of Israel and South Africa – knowingly and willfully exported from the United States to the People’s Republic of China, the Republic of India and elsewhere overseas, defense articles covered by the United States Munitions List without first obtaining permission from the United States Department of State’s Directorate of Defense Trade Controls.

The indictment further alleges that Joe Sery and Dror Sery accomplished this, in part, by creating a non-THPP email address to surreptitiously receive ITAR-controlled documents. Additionally, shortly after Dror created the outside email address Joe Sery provided Dror Sery with administrative level access of THPP’s “ShareFile system,” which contained ITAR-controlled data. Subsequently, on several occasions, Joe Sery and Dror Sery exported technical drawings from the United States via email messages to each other, including while Dror was located in India and the People’s Republic of China.

Joe Sery is expected to be arraigned in federal court on Monday; an arrest warrant has been issued for fugitive Dror Sery. He is believed to be residing in Israel.

THPP is cooperating with the investigation.

“The indictment alleges that these brothers disregarded important regulations designed to keep sensitive information from falling into the hands of those who would harm America,” said U.S. Attorney Randy Grossman. “The U.S. Attorney’s Office will work together with our law enforcement partners to protect military technology.” Grossman thanked the prosecution team, HSI and DCIS for their excellent work on this case.

“This arrest highlights the outstanding partnerships between HSI and the Department of Defense’s investigative agencies who work tirelessly every day to ensure our protected military technology and weaponry are not used by foreign actors against our warfighters and allies on the battlefield,” said HSI San Diego Special Agent in Charge Chad Plantz. “This arrest sends a clear message that those entrusted with our country’s military technology and weaponry will be held responsible for its safeguarding.”

“Mr. Sery is accused of compromising sensitive defense technology, and today’s arrest is an important step toward protecting our country’s information,” said Bryan D. Denny, Special Agent in Charge for the Department of Defense Office of Inspector General, Defense Criminal Investigative Service (DCIS), Western Field Office. “DCIS will always take aggressive action with our law enforcement partners to deter and investigate any such threats to our national defense.”

DEFENDANTS

Case Number 21CR2898-GPC

Joe Sery
Diego, CA

Age: 77

San

Dror Sery
70

Age:

Israel/Unknown

SUMMARY OF CHARGES

Conspiracy to Commit Offenses Against the United States- Title 18 U.S.C., Sections 371,554; Title 22 U.S.C., 2778(b)(2), (c); Title 22 CFR Sections, 120, 121.1 , 123.1, 127.l(a)(4)

Exportation of Defense Articles Without a License and Aiding and Abetting To Do Same

Title 22 U.S.C., Sections 2778(b)(2), (c); Title 22 CFR 120, 121.1, 123, 127; Title 18 U.S.C., 2

Criminal Forfeiture - Title 18 U.S.C., Sections 98l(a)(l)(c); Title 28 Section 246l(c); Title 22 U.S.C., 401

Maximum penalty: Twenty years in prison and \$1 million fine

Notice on the Continuation of the National Emergency With Respect to Venezuela

On March 8, 2015, the President issued Executive Order 13692, declaring a national emergency with respect to the situation in Venezuela, including the Government of Venezuela's erosion of human rights guarantees, persecution of political opponents, curtailment of press freedoms, use of violence and human rights violations and abuses in response to antigovernment protests, and arbitrary arrest and detention of antigovernment protesters, as well as the exacerbating presence of significant government corruption.

The President took additional steps pursuant to this national emergency in Executive Order 13808 of August 24, 2017; Executive Order 13827 of March 19, 2018; Executive Order 13835 of May 21, 2018; Executive Order 13850 of November 1, 2018; Executive Order 13857 of January 25, 2019; and Executive Order 13884 of August 5, 2019.

The circumstances, as described in Executive Order 13692 and in subsequent Executive Orders issued with respect to Venezuela, have not improved, and they continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing for 1 year the national emergency declared in Executive Order 13692.

This notice shall be published in the *Federal Register* and transmitted to the Congress.

JOSEPH R. BIDEN JR.

THE WHITE HOUSE

Venezuela Releases at Least two Imprisoned Americans After Rare Visit by US Delegation

The government of Nicolás Maduro freed at least two of the U.S. citizens who had been detained in the country for years, according to several people with knowledge of the situation. Their release Tuesday came days after Biden administration officials visited Caracas to discuss resuming oil exports from the socialist state. Among those released was Gustavo Cárdenas, one of six executives of Citgo Petroleum Corp. arrested during a business trip to Caracas in November 2017.

A Message to the Congress on the Continuation of the National Emergency with Respect to Iran

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, within 90 days prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent to the *Federal Register* for publication the enclosed notice stating that the national emergency with respect to Iran that was declared on March 15, 1995, is to continue in effect beyond March 15, 2022.

The actions and policies of the Government of Iran continue to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States.

For these reasons, I have determined that it is necessary to continue the national emergency declared in Executive Order 12957 with respect to Iran and to maintain in force comprehensive sanctions against Iran to respond to this threat.

JOSEPH R. BIDEN JR.

THE WHITE HOUSE,

March 3, 2022.

Commerce Announces the Republic of Korea's Partnership on Export Controls for Russia

FOR IMMEDIATE RELEASE BUREAU OF INDUSTRY AND SECURITY

March 7, 2022 Office of Congressional and Public Affairs
www.bis.doc.gov OCPA@bis.doc.gov

This Latest Action Expands and Enhances Global Coalition to Stand With the Ukrainian People Against Russian Aggression
WASHINGTON, D.C. – Today, the U.S. Commerce Department and the Republic of Korea (referred to as South Korea in the Export Administration Regulations (EAR)) are jointly announcing the formal addition of the ROK to the growing global coalition of nations that are standing against Russian aggression by implementing stringent export control policies. A link to the U.S.-ROK Joint Statement is available [here](#).

Multilateral application of export controls is a force-multiplier in cutting off Russia and any additional entities that seek to provide them material support, from the commodities, technologies, and software necessary to support advanced defense, aerospace, and maritime sectors.

“The Republic of Korea’s participation is critical to the growing global coalition that is expansively restricting exports to Russia and Belarus,” said **Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler**. “We are working closely with the ROK and our coalition partners to diminish Russia’s military capacity in response to Russia’s unjustifiable invasion of Ukraine. In addition to this partnership, we continue to conduct extensive outreach to other global partners to limit the sources of sensitive technology available to Russia.”

Under a rule issued and implemented on March 4, 2022 (available [here](#)) by the U.S. Department of Commerce, through its Bureau of Industry and Security (BIS), the Republic of Korea, denoted as South Korea, is added to the list of countries to receive an exclusion from the license requirements required under the U.S. Russia/Belarus Sanctions rules, including the foreign direct product (FDP) rules for Russia/Belarus and Russian/Belarusian Military End Users (MEUs). The ROK joins the member states of the European Union (EU), Japan, Canada, Australia, the United Kingdom, and New Zealand. Providing exclusions to partner countries enhances the multilateral effort to implement strong export controls. Having countries apply substantially similar controls through their own laws will help to expand the scope of products beyond the U.S.’s FDP rules. For example, many countries have developed their aerospace sector domestically and are not necessarily reliant on U.S. technology and tools. In cases such as those the U.S.’s FDP rules would not cover as many items and products as comparable controls put in place by the country itself. By providing exclusions from the U.S. rules for [2](#)

partners that are willing to step up and share in the effort required to implement these restrictions globally through their own legal systems, educating companies on compliance responsibilities under their domestic laws, and leveraging their law enforcement resources. The United States will work with our cooperating partners to share information, enforcement resources, and coordinate on the commodities, technologies, and software to be controlled, making the entire global effort more effective. These BIS actions were taken under the authority of the Export Control Reform Act of 2018 and its implementing regulations, the Export Administration Regulations (EAR).

Additional information on the Biden-Harris Administration’s response is available [here](#).

FACT SHEET: Securing a Made in America Supply Chain for Critical Minerals Biden-Harris Administration, Companies Announce Major Investments to Expand Domestic Critical Minerals Supply Chain, Breaking Dependence on China and Boosting Sustainable Practices

Critical minerals provide the building blocks for many modern technologies and are essential to our national security and economic prosperity. These minerals—such as rare earth elements, lithium, and cobalt—can be found in products from computers to household appliances. They are also key inputs in clean energy technologies like batteries, electric vehicles, wind turbines, and solar panels. As the world transitions to a clean energy economy, global demand for these critical minerals is set to skyrocket by 400-600 percent over the next several decades, and, for minerals such as lithium and graphite used in electric vehicle (EV) batteries, demand will increase by even more—as much as 4,000 percent. The U.S. is increasingly dependent on foreign sources for many of the processed versions of these minerals. Globally, China controls most of the market for processing and refining for cobalt, lithium, rare earths and other critical minerals.

Executive Order 14017 (E.O.), [America’s Supply Chains](#), signed one year ago this week, ordered a review of vulnerabilities in our critical mineral and material supply chains within 100 days. In June, the Biden-Harris Administration released a first-of-its-kind [supply chain assessment](#) that found our over-reliance on foreign sources and adversarial nations for critical minerals and materials posed national and economic security threats.

In addition to working with partners and allies to diversify sustainable sources, the reports recommended expanding domestic mining, production, processing, and recycling of critical minerals and materials—all with a laser focus on boosting strong labor, environmental and environmental justice, community engagement, and Tribal consultation standards.

Today, President Biden will meet with Administration and state partners, industry executives, community representatives, labor leaders, and California Governor Gavin Newsom to announce major investments in domestic production of key critical minerals and materials, ensuring these resources benefit the community, and creating good-paying, union jobs in sustainable production.

- President Biden will announce that the Department of Defense’s Industrial Base Analysis and Sustainment program has awarded MP Materials **\$35 million** to separate and process heavy rare earth elements at its facility in Mountain Pass, California, establishing a full end-to-end domestic permanent magnet supply chain. Paired with this catalytic public funding announcement, MP Materials will announce it will invest another **\$700 million** and create more than 350 jobs in the magnet supply chain by 2024. Currently, China controls 87 percent of the global permanent magnet market, which are used in EV motors, defense systems, electronics, and wind turbines.

(*Continued On The Following Page)

- Berkshire Hathaway Energy Renewables (BHE Renewables) will announce that this spring, they will break ground on a new demonstration facility in Imperial County, California, to test the commercial viability of their sustainable lithium extraction process from geothermal brine as part of a **multibillion-dollar** investment in sustainable lithium production over the next five years. If successful, this sets the company a path towards commercial scale production of battery grade lithium hydroxide and lithium carbonate by 2026. Imperial Valley contains some of the largest deposits of lithium in the world. Once at scale, BHE Renewables facilities could produce 90,000 metric tons of lithium per year.
- Redwood Materials will discuss a pilot, in partnership with Ford and Volvo, for collection and recycling of end-of-life lithium-ion batteries at its Nevada based facilities to extract lithium, cobalt, nickel, and graphite. This builds upon Redwood's recent announcements including a joint venture with Ford to build a recycling facility in Tennessee and its intention to begin construction on a new cathode manufacturing facility in Nevada in 2022.
- Secretary Granholm will discuss DOE's first-of-its-kind **\$140 million demonstration project** funded by the Bipartisan Infrastructure Law (BIL) to recover rare earth elements and critical minerals from coal ash and other mine waste, reducing the need for new mining. This project will deliver on the work of the Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization by creating good-paying manufacturing jobs in legacy coal communities.
- She will also discuss **\$3 billion in BIL funding** to invest in refining battery materials such as lithium, cobalt, nickel, and graphite, and battery recycling facilities, creating good-paying clean energy manufacturing jobs.

These are only the latest in announcements by major companies committing to domestic sourcing of critical minerals and materials:

- MP Materials recently announced construction of a rare earth metal, alloy and magnet manufacturing facility in Texas and a long-term supply agreement with General Motors to power the motors in more than a dozen of GM's EV models. Production will begin next year, with capacity to produce enough magnets to power 500,000 EV motors annually.
- In addition to BHE Renewables, Controlled Thermal Resources (CTR) and EnergySource Minerals have established operations in Imperial County to extract lithium from geothermal brine. GM will source lithium for EV batteries from CTR. The companies are also working with the state-authorized Lithium Valley Commission to develop a royalty structure that would invest profits from their operations in infrastructure, health, and educational investments for the residents of the surrounding region.

*(*Continued On The Following Column)*

- Tesla intends to source high-grade nickel for EV batteries from Talon Metals' Tamarack nickel project under development in Minnesota. Talon Metals and the United Steelworkers (USW) have established a [workforce development partnership](#) for the project to train workers on next-generation technologies in the local community and from mining regions in the U.S. facing declining demand. As part of this partnership, Talon has agreed to remain neutral in any union organizing efforts by USW.

Ahead of the one-year anniversary of E.O. 14017 this Thursday, the Administration has taken action across the Federal government to secure reliable and sustainable supplies of critical minerals and materials, while also upholding the Administration's labor, environmental and environmental justice, and equity priorities:

- **Updating outdated mining laws and regulations.** This year, the Mining Law of 1872 turns 150. This law still governs mining of most critical minerals on federal public lands. Today, the Department of Interior (DOI) announced it has established an Interagency Working Group (IWG) that will lead an Administration effort on legislative and regulatory reform of mine permitting and oversight. The IWG released a list of Biden-Harris Administration fundamental principles for mining reform to promote responsible mining under strong social, environmental, and labor standards that avoids the historic injustice that too many mining operations have left behind. The IWG will deliver recommendations to Congress by November. They will also host extensive public input and comment sessions to ensure an inclusive process, and will work with the relevant agencies to initiate updates to mining regulations by the end of the calendar year.
- **Updating and prioritizing the Federal list of critical minerals.** Today, pursuant to the Energy Act of 2020, DOI will update its Federal list of critical minerals, listing minerals essential to economic or national security and vulnerable to disruption. To focus the work of Federal agencies on sourcing critical minerals, the Administration will direct agencies to prioritize the production and processing of minerals necessary to produce key products like batteries, semiconductors, and permanent magnets, consistent with our strong environmental, social and labor principles.
- **Strengthening critical mineral stockpiling.** DOE, DOD, and the Department of State signed a memorandum of agreement (MOA) to better coordinate stockpiling activities to support the U.S. transition to clean energy and national security needs. In October, President Biden streamlined the National Defense Stockpile by signing E.O. 14051 to delegate authority release of strategic and critical materials to the Under Secretary of Defense for Acquisition and Sustainment.

BUREAU OF INDUSTRY AND SECURITY

March 11, 2022

Office of Congressional and Public Affairs

Commerce Restricts the Export of Luxury Goods to Russia and Belarus and to Russian and Belarusian Oligarchs and Malign Actors in Latest Response to Aggression Against Ukraine

WASHINGTON – Today, the U.S. Commerce Department's Bureau of Industry and Security (BIS) imposed restrictions on the export, reexport, and transfer (in country) of luxury goods to all end users in the Russian Federation (Russia) and Belarus and to certain Russian and Belarusian oligarchs and malign actors located worldwide. This action is in response to Russia's brutal, continuing invasion of Ukraine (as substantially enabled by Belarus) in flagrant violation of international law.

"Putin's war of choice in Ukraine continues to take a devastating toll on innocent civilians in Ukraine, fueling one of the worst humanitarian crises Europe has seen in decades," **said Secretary of Commerce Gina M. Raimondo**. "Putin and the oligarchs who fund him have gotten rich off of Putin's rampant corruption and the exploitation of the Russian people. We will not allow Putin and his cronies to continue living in opulence while causing tremendous suffering throughout Eastern Europe. Today's action takes away another source of comfort and reminds them that Russia is increasingly isolated."

"The Department of Commerce will continue to vigorously exercise its authorities to deprive the Russian leadership of the material support it needs to sustain its aggression as well as the material comfort that insulates them from the harm they are inflicting," **said Deputy Secretary of Commerce Don Graves**. "The people who have benefited most from Putin's rule should know that they are international pariahs and that their money cannot insulate them from the unlawful actions they have facilitated. This action also targets Russian and Belarusian oligarchs and other malign actors who have supported Putin."

"Before today, controls on luxury goods only applied to rogue state North Korea—a regime where its leaders and their political cronies live in opulence while their people struggle," **said Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler**. "Today's action should remind Putin and his Russian and Belarusian cronies that the world strongly condemns the horrors they have wrought. The U.S. and our allies and partners will continue to stand together in imposing severe consequences on Russia and Belarus for the continued invasion of Ukraine."

The best way to predict the future is to create it.

~Peter Drucker~

Today's rule imposes significant restrictions on persons and organizations within Russia and Belarus that have the financial resources to purchase U.S.-origin luxury goods. Additionally, this rule imposes additional costs on certain Russian and Belarusian oligarchs and malign actors (regardless of their location) who have been designated by the Department of the Treasury as Specially Designated Nationals in connection with their support for the Russian government.

This action underscores the consequences of Russia's invasion of Ukraine and also demonstrates to influential Russian and Belarusian individuals the material impact on their lifestyle for their support for the Russian government's actions in Ukraine. The rule provides a list of U.S.-origin luxury goods that are impacted by today's sanctions and includes certain spirits, tobacco products, clothing items, jewelry, vehicles, and antique goods. The rule takes effect when released in the Federal Register on March 11, 2022.

The text of the rule is available here: <https://go.usa.gov/xz5MP>

MISSION STATEMENT:

Given the geopolitical state of affairs with China, Russia, and Crimea, the Occupied territories of UKRAINE, Donetsk and Luhansk Oblast, embargoed countries and other specific threatening end users and entities, located in the United States and around the globe; Evolutions in Business and the companies we serve, armed with robust compliance to the Export Administration Regulations, will adhere to best practices to protect our revenue and yours, and ensure the national security interests of the United States.

NOTE: In accordance with Title 17 U.S.C. Section 107, this material is distributed without profit or payment for non-profit news reporting and educational purposes only.

Reproduction for private use or gain is subject to original copyright restrictions.