

# Press Releases: CAATSA Section 231: “Addition of 33 Entities and Individuals to the List of Specified Persons and Imposition of Sanctions on the Equipment Development Department”

Fact Sheet  
Office of the Spokesperson

Washington, DC  
September 20, 2018

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Today, the President issued a new [Executive Order](#) “Authorizing the Implementation of Certain Sanctions Set Forth in the Countering Americas Adversaries Through Sanctions Act” to further the implementation of certain sanctions in the Countering America’s Adversaries Through Sanctions Act of 2017 (CAATSA) with respect to the Russian Federation. In addition, the Secretary of State is taking two actions today to implement his delegated authorities pursuant to section 231 of CAATSA and to further impose costs on the Russian Government for its malign activities.

First, the Secretary of State added 33 additional persons – a person is either an entity or an individual – to the CAATSA section 231 List of Specified Persons (LSP) for being a part of, or operating for or on behalf of, the defense or intelligence sectors of the Government of the Russian Federation. This action increases the number of persons identified on the LSP to 72. Any person who knowingly engages in a significant transaction with any of these persons is subject to mandatory sanctions under CAATSA section 231.

Second, in consultation with the Secretary of the Treasury, the Secretary of State imposed sanctions on the Chinese entity Equipment Development Department (EDD) and its director, Li Shangfu, for engaging in significant transactions with persons on the LSP. These transactions involved Russia’s transfer to China of Su-35 combat aircraft and S-400 surface-to-air missile system-related equipment.

Section 231 of CAATSA and today’s actions are not intended to undermine the military capabilities or combat readiness of any country, but rather to impose costs on Russia in response to its interference in the United States election process, its unacceptable behavior in eastern Ukraine, and other

malign activities. Today's actions further demonstrate the Department of State's continuing commitment to fully implement CAATSA section 231, which has already deterred billions of dollars-worth of potential arms exports from Russia. State encourages all persons to avoid engaging in transactions with entities on the LSP that may risk sanctions, including high-value, major transactions for sophisticated weapons systems.

### **Additions to the List of Specified Persons**

The Secretary of State added the persons listed below to the LSP, which specifies the persons that are part of, or operate for or on behalf of, the defense or intelligence sectors of the Government of the Russian Federation for purposes of CAATSA section 231. The Department of State originally issued the LSP on October 27, 2017. Persons that knowingly engage in significant transactions with any person on the LSP are subject to sanctions.

#### Additions to Section 231(d) List Regarding the Defense Sector of the Government of the Russian Federation:

**PMC Wagner  
Oboronlogistika, 000  
Komsomolsk-na-Amur Aviation Production Organization (KNAAPO)**

#### Additions to Section 231(d) List Regarding the Russian Intelligence Sector of the Government of the Russian Federation:

**Internet Research Agency LLC  
Concord Management and Consulting LLC  
Concord Catering  
Yevgeniy Viktorovich Prigozhin  
Mikhail Ivanovich Bystrov  
Mikhail Leonidovich Burchik  
Aleksandra Yuryevna Krylova  
Anna Vladislavovna Bogacheva  
Sergey Pavlovich Polozov  
Maria Anatolyevna Bovda  
Robert Sergeyevich Bovda  
Dzheykhun Nasimi Ogly Aslanov  
Vadim Vladimirovich Podkopaev  
Gleb Igorevich Vasilchenko  
Irina Viktorovna Kaverzina  
Vladimir Venkov  
Viktor Borisovich Netyksho  
Boris Alekseyevich Antonov  
Dmitriy Sergeyevich Badin  
Ivan Sergeyevich Yermakov  
Aleksey Viktorovich Lukashev  
Sergey Aleksandrovich Morgachev  
Nikolay Yuryevich Kozachek  
Pavel Vyacheslavovich Yershov  
Artem Andreyevich Malyshev  
Aleksandr Vladimirovich Osadchuk**

**Aleksey Aleksandrovich Potemkin**  
**Anatoliy Sergeyevich Kovalev**  
**Igor Valentinovich Korobov**  
**Sergey Aleksandrovich Gizunov**

## **Sanctions on EDD**

In a separate action, the Secretary of State, in consultation with the Secretary of the Treasury, determined that EDD, formerly known as the General Armaments Department (GAD), knowingly engaged in significant transactions with a person that is a part of, or operates for or on behalf of, the defense sector of the Government of the Russian Federation. China took delivery from Russia of ten Su-35 combat aircraft in December 2017 and an initial batch of S-400 (a.k.a. SA-21) surface-to-air missile system-related equipment in 2018. Both transactions resulted from pre-August 2, 2017, deals negotiated between EDD and Rosoboronexport (ROE), Russia's main arms export entity.

CAATSA section 231 requires that at least five of the twelve sanctions described in CAATSA section 235 be imposed on a person that President Donald J. Trump determines has knowingly engaged in a significant transaction with a person that is a part of, or operates for or on behalf of, the defense or intelligence sectors of the Government of the Russian Federation. This authority was delegated to the Secretary of State, in consultation with the Secretary of the Treasury, on September 29, 2017. ROE is included on the LSP as a person that is part of, or operates for or on behalf of, the defense sector of the Government of the Russian Federation. In addition to being identified on the LSP, ROE was designated by Treasury on April 6, 2018, pursuant to Executive Order 13582, for support to the Government of Syria. ROE has provided billions of dollars in weapons sales over the past decade to the Syrian regime.

The Secretary of State, in consultation with the Secretary of Treasury, has selected the following sanctions from CAATSA section 235 to impose on EDD:

- a denial of export licenses;
- a prohibition on foreign exchange transactions under United States jurisdiction;
- a prohibition on transactions with the United States financial system;
- blocking of all property and interests in property within United States jurisdiction; and
- the imposition of sanctions on an EDD principal executive officer, its director Li Shangfu, which include a prohibition on foreign exchange transactions under United States jurisdiction, a prohibition on transactions with the United States financial system, blocking of all property and interests in property within United States jurisdiction, and a visa ban.

The Office of Foreign Assets Control has added EDD and Li Shangfu to its Specially Designated Nationals and Blocked Persons List. As a result of this action, all property and interests in property of this entity and individual within United States jurisdiction are blocked, and United States persons are generally prohibited from transacting with them.

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