

Treasury Department Releases CAATSA Report on Russian Senior Political Figures and Oligarchs; No Immediate Impact Expected

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The Treasury Department today released the much-anticipated [list](#) of “the most significant senior foreign political figures and oligarchs in the Russian Federation” required by Section 241 of CAATSA.¹ As we have long advised, the list has no immediate legal impact, and it appears that at least in the short to medium term it is unlikely to affect U.S. sanctions policy. The list is a mechanical compilation of 210 names using objective criteria and, at least in its unclassified version, provides little basis to single individuals out for sanctions.

CAATSA calls for the report to be provided to specified congressional committees, but unlike an earlier State Department list of entities associated with the Russian defense sector, there is no consequence to being named on the list. Indeed, in a [FAQ](#) issued simultaneously with the list, the Office of Foreign Assets Control (“OFAC”) was at pains to state the following:

This report is not a “sanctions list.” While some persons mentioned in the report may have been sanctioned pursuant to other authorities, the inclusion of individuals or entities in this report, its appendices, or its classified annex does not and in no way should be interpreted to impose sanctions on those individuals or entities. Inclusion in this report also does not constitute a determination by any agency that any of those individuals or entities meet the criteria for designation under any sanctions program. Moreover, the inclusion of individuals or entities in this report, its appendices, or its classified annex does not, in and of itself, imply, give rise to, or create any restrictions, prohibitions, or limitations on dealings with such persons by either U.S. or foreign persons. Neither does inclusion in the unclassified report indicate that the U.S. Government has information about the individual’s involvement in malign activities.

If you have any questions concerning this memorandum, please reach out to your regular firm contact or the following author.

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¹ Countering America’s Adversaries Through Sanctions Act, Pub. L. 115-44 (Aug. 2, 2017).



The compilation of the list was a mechanical exercise, based on objective criteria and publicly available sources. All Russian individuals with an estimated net worth of greater than \$1 billion (reportedly taken from the Forbes ranking) were listed as “oligarchs.” “Senior foreign political figures” included i) senior members of the Russian Presidential Administration; ii) members of the Russian Cabinet, Cabinet-rank ministers, and heads of other major executive agencies; iii) other senior political leaders, including the leadership of the State Duma and Federation Council, other members of the Russian Security Council, and senior executives at state-owned enterprises. At least in the unclassified version, there is no attempt to distinguish among them. The classified version includes other information required by CAATSA, most notably any indications of corruption relating to the listed persons and the anticipated effect of imposing sanctions upon them. The objective (and rather basic) nature of the criteria used to compile the list reinforces OFAC’s point that inclusion on the list is not an indication of suspect behavior or involvement in activities that may result in the future imposition of sanctions.

The CAATSA reporting requirement was doubtless intended to create unease among Russian business and political leaders, and in that it was successful. It also remains the case that there are tensions between Congress and the Trump Administration over Russian sanctions, and how those tensions will play out remains uncertain. Treasury Secretary Mnuchin has said that additional sanctions will be imposed against Russian figures and that they will include persons from the list released today, doubtless in response to political pressure from Congress. However, one must bear in mind that virtually every prominent Russian business and political figure is included on the list and existing sanctions authority covers the Russian Administration and its supporters, and so it is hardly noteworthy that future sanctions targets could include persons on the list. It is quite different to say that inclusion on the list makes a person a future sanctions target. At this point we believe that OFAC’s explicit assurance that inclusion on the list alone not only has

no legal effect, but also does not indicate that the listed persons have engaged in any misconduct or are likely to be sanctioned in the future, can be taken at face value.

For sanctions to be imposed on persons listed in the report, they would have to be found to meet the designation criteria of an existing sanctions program—most likely [Executive Order 13661](#), which permits the designation of senior Russian political figures and their supporters—or a new sanctions program would have to be created. With respect to existing programs, obviously persons meeting the relevant criteria could be designated at any time; persons listed in the report may or may not meet those criteria. Future programs could be created by legislation or by Executive Order. New legislation would take some time to adopt and, based on prior practice, would most likely leave the actual selection of individuals for designation to the Executive Branch. In light of the size and indiscriminate nature of the list, it is unlikely that Congress would impose sanctions on the entire list. With respect to executive action, President Trump of course already had authority to create new sanctions programs targeting Russia or to designate additional persons under existing authority, and there has been no indication that the new list correlates in any way with planned future sanctions programs; it may contain persons who could be sanctioned in the future, but the reason they will be sanctioned is very unlikely to be simply because they are on this list. In short, United States sanctions regarding Russia will doubtless continue to evolve, but at this point there is no clear reason to believe that sanctions targeting listed persons as a group are likely.

If you have any questions, please feel free to speak with any of your regular contacts at the Firm, or [Paul Marquardt](#) of our Washington office, listed on our website at <http://www.clearygottlieb.com>.