



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Industry and Security
Office of Export Enforcement
1401 Constitution Avenue, Suite 4508
Washington, DC 20230

CHARGING LETTER

Roman Abramovich
Ulitsa Lipovaya Alleya 1
Nemchinovo village, Odintsovo district
Moscow Region 143025, Russia

June 6, 2022

and

Perviy Smolensky pereulok 17, Apartment 26
121099 Moscow, Russian Federation

Dear Mr. Roman Abramovich,

The Bureau of Industry and Security, U.S. Department of Commerce (BIS), has reason to believe that you, Roman Abramovich, have committed three violations of the Export Administration Regulations (the “EAR” or “Regulations”).¹ Specifically, BIS alleges the following violations:

CHARGES

Charges 1-2 15 CFR. § 764.2(a) – Unlicensed Reexports of a Gulfstream G650ER Aircraft to Russia

1. On two occasions, on or about March 12, 2022, and on or about March 15, 2022, Roman Abramovich engaged in conduct prohibited by and contrary to the Regulations, by reexporting controlled items, specifically a U.S.-origin Gulfstream G650ER aircraft classified under Export Control Classification Number (“ECCN”) 9A991, to Russia without the required BIS license. Pursuant to Section 746.8 of the Regulations, a BIS reexport license was required before the aircraft could be reexported to Russia.
2. In doing so, Roman Abramovich committed two violations of Section 764.2(a) of the Regulations, by engaging in any transaction or taking any other action prohibited by or contrary to, or refraining from engaging in any transaction or taking any other action required by ECRA,² the EAR, or any order, license or authorization issued thereunder.

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2021). Those regulations govern the violations at issue and set forth the procedures that apply to this matter.

² On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801 - 4852 (ECRA).



Charge 3 15 CFR. § 764.2(a) – Unlicensed Reexport of a Boeing 787-8 Aircraft to Russia

3. On or about March 4, 2022, Roman Abramovich engaged in conduct prohibited by and contrary to the Regulations by reexporting a controlled item, specifically a U.S.-origin Boeing 787-8 aircraft classified under ECCN 9A991, to Russia without the required BIS license. Pursuant to Section 746.8 of the Regulations, a BIS reexport license was required before the aircraft could be reexported to Russia.
4. In doing so, Roman Abramovich committed a violation of Section 764.2(a) of the Regulations, by engaging in any transaction or taking any other action prohibited by or contrary to, or refraining from engaging in any transaction or taking any other action required by ECRA, the EAR, or any order, license or authorization issued thereunder.

Background Of Violations Identified In Charges 1 – 3

As background³ of the violations identified in charges 1-3 and at times material to this charging letter:

The Russia Sanctions Regime

5. The U.S. Commerce Department, through BIS, responded to the Russian Federation's ("Russia's") further invasion of Ukraine by implementing a sweeping series of stringent export controls that severely restrict Russia's access to technologies and other items that it needs to sustain its aggressive military capabilities. These controls primarily target Russia's defense, aerospace, and maritime sectors and are intended to cut off Russia's access to vital technological inputs, atrophy key sectors of its industrial base, and undercut Russia's strategic ambitions to exert influence on the world stage.
6. As part of those controls, effective February 24, 2022, BIS imposed expansive controls on aviation-related (e.g., Commerce Control List Categories 7 and 9)⁴ items to Russia, including a license requirement for the export, reexport or transfer (in-country) to Russia of any aircraft or aircraft parts specified in ECCN 9A991 (Section 746.8(a)(1) of the EAR).⁵ BIS will review any export or reexport license applications for such items under a policy of denial. See EAR Section 746.8(b).

³ This background section does not set forth every fact known or resulting from the investigation; rather, it provides certain additional information to further describe the nature of the above-listed violations.

⁴ The Commerce Control List ("CCL") is found at 15 C.F.R. part 774, Supp. No. 1.

⁵ 87 Fed. Reg. 12226 (Mar. 3, 2022). Effective February 24, 2022, BIS imposed a license requirement for all items controlled under Categories 3-9 of the CCL when destined for Russia, and also imposed these controls on Belarus in a rule effective on March 2, 2022. (87 Fed. Reg. 13048, Mar. 8, 2022). Additionally, BIS published a final rule effective April 8, 2022, which imposed a license requirement on items controlled on the CCL under Categories 0-2 that are destined for Russia or Belarus. Accordingly, all CCL items now require export, reexport, and transfer (in-country) licenses if destined for or within Russia or Belarus. 87 Fed. Reg. 22130 (Apr. 14, 2022).

7. Effective March 2, 2022, BIS excluded any aircraft registered in, owned, or controlled by, or under charter or lease by Russia or a national of Russia from being eligible for export or reexport to Russia pursuant to license exception Aircraft, Vessels, and Spacecraft (AVS) (Section 740.15 of the EAR).⁶ See 15 C.F.R. § 746.8(c)(5). As a result, any U.S.-origin aircraft or foreign aircraft that includes more than 25% controlled U.S.-origin content, and that is registered in, owned, or controlled by, or under charter or lease by Russia or a national of Russia, is subject to a license requirement before it can be exported or reexported to Russia.

**Roman Abramovich's Relationships
to the Aircraft and Flights at Issue**

8. At all times pertinent hereto, Roman Abramovich, a Russian national, effectively owned, controlled, chartered and/or leased, through a series of shell companies, at least two U.S.-origin aircraft that are subject to the EAR and classified under ECCN 9A991: a Gulfstream G650ER bearing tail number LX-RAY and manufacturer serial number 6417 ("the Gulfstream") and a Boeing 787-8 Dreamliner aircraft, bearing tail number P4-BDL and manufacturer serial number 37306 (the "Boeing").
9. As part of the ownership structure for these aircraft, in or about March 2020, the Gulfstream was sold to Clear Skies Flights Limited ("Clear Skies"), a Jersey corporation, for approximately \$60 million. In connection with the sale transaction, Abramovich was identified as the "100% ultimate economic beneficiary" of Clear Skies, and he was identified as having a Russian address.
10. In or about December 2017, the Boeing was sold to Wenham Overseas Limited ("Wenham"), a British Virgin Islands company, for approximately \$93,650,000. In or about 2018, the Boeing was flown from the United States to Europe to be customized into what is reported to be one of the world's most expensive private airplanes, worth approximately \$350 million. In connection with the sale transaction, Abramovich was the only individual identified as having "ownership or control" of Wenham, and he was identified as having a Russian mailing address.
11. In or about February 2022, Roman Abramovich took actions to reorganize the ownership of his assets, including by making his children, all of whom are Russian nationals, the beneficiaries of the trust/shell entities for the Gulfstream and Boeing. Although taking these actions, Roman Abramovich continued to effectively own, control, charter and/or lease the Gulfstream and Boeing.
12. Flight records for the Gulfstream reflect that, after the license requirement under Section 746.8 of the Regulations went into effect on or about February 24, 2022, and the subsequent removal of eligibility under license exception AVS for the export or reexport of such aircraft to Russia went into effect on March 2, 2022, the Gulfstream was reexported to Russia on two occasions without the requisite BIS authorization.

⁶ 87 Fed. Reg. 13048 (Mar. 8, 2022).

13. Specifically, the Gulfstream flew from Istanbul, Turkey to Moscow, Russia on or about March 12, 2022. On or about March 13, 2022, the Gulfstream flew to Tel Aviv, Israel and then to Istanbul, on or about March 14, 2022. On or about March 15, 2022, the Gulfstream flew to Moscow again. Roman Abramovich was a primary passenger on part, if not all, of those flights to and from Russia.
14. No reexport license was sought or obtained from BIS prior to the reexport of the Gulfstream to Russia on or about March 12, 2022, and on or about March 15, 2022.
15. Flight records for the Boeing reflect that, after the license requirement under Section 746.8 went into effect on or about February 24, 2022, and the subsequent removal of eligibility under license exception AVS for the export or reexport of such aircraft to Russia went into effect on March 2, 2022, the Boeing was reexported to Russia on one occasion without the requisite BIS authorization.
16. Specifically, on or about March 4, 2022, the Boeing flew from Dubai, United Arab Emirates to Moscow, Russia.
17. No reexport license was sought or obtained from BIS prior to the reexport of the Boeing to Russia on or about March 4, 2022.
18. As set forth above, therefore, on or about March 12, 2022, and on or about March 15, 2022, Roman Abramovich engaged in conduct prohibited by and contrary to the Regulations, by reexporting controlled items, specifically a U.S.-origin Gulfstream G650ER aircraft, to Russia without the required BIS license. Further, on or about March 4, 2022, Roman Abramovich engaged in conduct prohibited by and contrary to the Regulations by reexporting a controlled item, specifically a U.S.-origin Boeing 787-8 aircraft, to Russia without the required BIS license.⁷

⁷ In addition, absent authorization from BIS, subsequent actions taken with regard to these aircraft illegally reexported to Russia after March 2, 2022, would violate the EAR, including the use of, operation of, or service to those aircraft. See General Prohibition 10 (GP10) of the EAR at 15 C.F.R. § 736.2(b)(10). No such BIS authorization was sought or received with respect to these aircraft. Even the use of such U.S.-origin aircraft on flights not destined for Russia would be a violation of GP10, which (among other restrictions) prohibits the continued use of an item that was known to have been exported or reexported in violation of the EAR. GP10 expressly prohibits continuing with transactions knowing that a violation has occurred or is about to occur:

*Section 736.2(b)(10) of the EAR provides: **General Prohibition Ten - Proceeding with transactions with knowledge that a violation has occurred or is about to occur (Knowledge Violation to Occur).** You may not sell, transfer, export, reexport, finance, order, buy, remove, conceal, store, use, loan, dispose of, transport, forward, or otherwise service, in whole or in part, any item subject to the EAR and exported or to be exported with knowledge that a violation of the Export Administration Regulations, the Export Administration Act or any order, license, License Exception, or other authorization issued thereunder has occurred, is about to occur, or is intended to occur in connection with the item. Nor may you rely upon any license or License Exception after notice to you of the suspension or revocation of that license or exception. There are no License Exceptions to this General Prohibition Ten in part 740 of the EAR. (emphasis in original).*

* * * * *

Accordingly, Roman Abramovich is hereby notified that an administrative proceeding is instituted against him pursuant to Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including, but not limited to, any or all of the following:

- The maximum civil penalty of an amount not to exceed the greater of \$328,121 per violation or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed;⁸
- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

If Roman Abramovich fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. *See* 15 C.F.R. §§ 766.6 and 766.7. If Roman Abramovich defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Roman Abramovich. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

Roman Abramovich is further notified that he is entitled to an agency hearing on the record if he files a written demand for one with his answer. *See* 15 C.F.R. § 766.6. Roman Abramovich is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent him. *See* 15 C.F.R. §§ 766.3(a) and 766.4.

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should Roman Abramovich have a proposal to settle this case, Roman Abramovich should transmit it to the attorneys representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Roman Abramovich's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center
40 S. Gay Street
Baltimore, Maryland 21202-4022

⁸ *See* 50 U.S.C. § 4819 (prescribing civil monetary penalty amount for ECRA violation); 15 C.F.R. §§ 6.3(c)(4), 6.4 (adjusting civil monetary penalty amount for inflation).

In addition, a copy of Roman Abramovich's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security
Attention: Gregory Michelsen and Andrea Duvall
Room H-3839
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Gregory Michelsen and Andrea Duvall are the attorneys representing BIS in this case; any communications that Roman Abramovich may wish to have concerning this matter should occur through them. Mr. Michelsen may be contacted by email at gmichelsen@doc.gov. Ms. Duvall may be contacted by email at aduvall@doc.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "John Sonderman", with a long horizontal flourish extending to the right.

John Sonderman
Director
Office of Export Enforcement