

# Press Releases: Sanctions Under Section 231 of the Countering America's Adversaries Through Sanctions Act of 2017 (CAATSA)

Press Statement  
Heather Nauert

Department Spokesperson

Washington, DC  
September 20, 2018

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Today, President Donald J. Trump issued a new [Executive Order](#), "Authorizing the Implementation of Certain Sanctions Set Forth in the Countering America's Adversaries Through Sanctions Act." This action furthers the implementation of certain sanctions in Countering America's Adversaries Through Sanctions Act (CAATSA) with respect to the Russian Federation. Consistent with this Executive Order, 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 in response to its malign activities.

First, the Secretary of State is adding 33 additional persons – both entities and individuals – 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. Any person who is determined to have knowingly engaged in a significant transaction with any of these persons will be subject to mandatory sanctions under CAATSA section 231. This action increases the number of persons identified on the LSP to 72.

Second, the Secretary of State, in consultation with the Secretary of the Treasury, has imposed sanctions pursuant to section 231 of CAATSA on the Chinese entity Equipment Development Department (EDD) and its director, Li Shangfu, for engaging in significant transactions with Rosoboronexport, Russia's main arms export entity, which is on the LSP. These significant transactions involved Russia's delivery to China of Su-35 combat aircraft in 2017 and S-400 surface-to-air missile system-related equipment in 2018. The

sanctions being imposed on EDD are 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.

These Department of State sanctions actions are the result of United States' implementation of Title II of CAATSA, which Congress passed in response to Russia's aggression in Ukraine, annexation of Crimea, cyber intrusions and attacks, interference in the 2016 elections, and other malign activities. We will continue to vigorously implement CAATSA and urge all countries to curtail relationships with Russia's defense and intelligence sectors, both of which are linked to malign activities worldwide.

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## **[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 Sergeyeovich Bovda  
Dzheykhun Nasimi Ogly Aslanov  
Vadim Vladimirovich Podkopaev  
Gleb Igorevich Vasilchenko  
Irina Viktorovna Kaverzina  
Vladimir Venkov  
Viktor Borisovich Netyksho  
Boris Alekseyevich Antonov  
Dmitriy Sergeyeovich Badin  
Ivan Sergeyeovich Yermakov  
Aleksey Viktorovich Lukashev  
Sergey Aleksandrovich Morgachev  
Nikolay Yuryevich Kozachek  
Pavel Vyacheslavovich Yershov  
Artem Andreyevich Malyshev  
Aleksandr Vladimirovich Osadchuk  
Aleksey Aleksandrovich Potemkin  
Anatoliy Sergeyeovich 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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## [Press Releases: On U.S. Citizen Dr. Serkan Golge](#)

Press Statement  
Heather Nauert

Department Spokesperson

Washington, DC  
September 20, 2018

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We welcome the Turkish Court of Appeals' decision to reduce the sentence against Dr. Golge. That said, we continue to believe that the case against Dr. Golge lacks credible evidence and that he should be freed immediately to be reunited with his family. We will continue to follow Dr. Golge's case closely, along with other unjust prosecutions against U.S. citizens and our own locally employed staff at Mission Turkey.

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## **Press Releases: Joint Statement on the Expanded Comprehensive Partnership Between the United States and Mongolia**

Media Note  
Office of the Spokesperson

Washington, DC  
September 20, 2018

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*The text of the following statement was released by the Governments of the United States of America and Mongolia on the occasion of the official visit of Mongolian Prime Minister Khurelsukh to the United States of America:*

The United States and Mongolia, recognizing that persistent efforts by both sides across thirty-one years of diplomatic relations have deepened political, economic, educational, cultural and people-to-people ties between the two countries, declared that their bilateral relationship had reached a new level of expanded comprehensive partnership.

The two sides recognized that the basic principles set forth in the 2007 Declaration of Principles for Closer Cooperation, and supported by the 2004 and 2005 U.S.-Mongolia Joint Statements, have provided a solid foundation for the development of a relationship based on shared values and common strategic interests. Both countries reaffirmed their commitment to these principles as they pursue avenues to further broaden and deepen their bilateral relationship.

The United States hailed Mongolia's transformation into a free and democratic society, reaffirming both the friendship between the two countries and Mongolia's role as an important Indo-Pacific partner. Mongolia expressed appreciation both for the unwavering support of the United States during Mongolia's transition to democracy and for continued U.S. partnership as Mongolia works to strengthen its market economy, build strong governance institutions, and foster sustainable economic development. Mongolia reaffirmed the role of the United States as a significant third neighbor, a close friend, and an important partner.

### **Regional and Global Security**

The United States commended Mongolia for the long and distinguished service of Mongolian forces serving in Afghanistan and expressed anticipation for its contribution to the Resolute Support Mission beyond 2018. The United States also expressed appreciation for Mongolia's contributions to global peacekeeping, including its efforts to enhance the peacekeeping ability of other nations through the *Khaan Quest* exercises. Mongolia thanked the United States for its support of the exercises and of capacity building within the Mongolian armed forces. Both sides pledged to continue to provide mutual support in their shared pursuit of a secure, stable, prosperous world of independent and sovereign countries.

Both sides also reaffirmed the essential importance to regional and global security of the final, fully verified denuclearization of the DPRK, and pledged to continue cooperation and information sharing to ensure the full implementation of all UN Security Council resolutions. The United States thanked Mongolia for its assistance in this regard and urged continued support for the efforts of the international community.

### **Strengthening Economic Cooperation**

Under the new expanded comprehensive Partnership, Mongolia and the United States expressed their intent to strengthen their shared economic, trade, and investment relationship for the benefit of both peoples. To that end, both sides noted with approval the completion of the "Roadmap for Expanded Economic Partnership between the United States of America and Mongolia" and expressed their desire to take positive and effective measures to expand

economic relations.

Both sides welcomed the signing of Mongolia's second Millennium Challenge Corporation Compact, which will support vital improvements to infrastructure supplying water to Ulaanbaatar, and will secure the long-term sustainability of that infrastructure through policy reforms. The United States observed that the Compact is representative of the U.S. desire to protect and promote the principles of freedom, openness, sovereignty, and transparency in Mongolia and across the region. Mongolia highlighted that the Compact is a symbol of the lasting friendship between the Mongolian and American peoples; and it has an important contribution to the economic development of Mongolia.

Recognizing that a stable investment and financial environment is an essential component of deepened U.S.-Mongolia economic relations, both sides acknowledged the importance of strengthening Mongolia's defenses against financial crimes, improving transparency, and securing macroeconomic stability. Mongolia expressed support for further cooperation on developing its anti-money laundering and countering the financing of terrorism regimes, and reiterated the country's commitment to fulfilling its commitments as part of its IMF program.

### **Shared Values and People-to-People Exchange**

The United States and Mongolia affirmed that the two countries' shared commitment to freedom, democracy, and human rights represented a cornerstone of their bilateral relationship. Mongolia thanked the United States for hosting the Ministerial to Advance Religious Freedom, and expressed Mongolia's desire to promote religious freedom in the Asia-Pacific region and around the world. The United States welcomed Mongolia's announcement at July's Ministerial to Advance Religious Freedom of its appointment of an Ambassador at Large for Religious Freedom. Both sides committed to explore avenues through which to deepen cooperation in securing and expanding religious freedom, with Mongolia as a leader on this issue in the region.

Underscoring the importance of cultural and educational cooperation, the two countries reaffirmed their commitment to broadening educational programs through public-private partnerships, increasing direct exchanges, promoting both commercial and non-commercial cultural exchanges, and enhancing collaboration through an increase of Peace Corps volunteers and their activities in Mongolia, including, but not limited to, expanded English language teaching programs. With the view of deepening these ties, Mongolia and the United States agreed to announce 2019 as the "U.S.-Mongolia Youth Year."

The two sides also noted the importance of maintaining the frequency of high-level dialogues and bilateral mechanisms, including the Annual Bilateral Consultations, defense talks, the Economic Policy Dialogue, TIFA talks, and the Energy Cooperation Dialogue to discuss and collaborate on efforts to advance bilateral priorities and international peace and prosperity.

Mongolia and the United States reaffirmed their shared commitment to the principles of democracy, good governance, respect for human rights, and



promotion of peace, stability, and prosperity in the region and beyond in the spirit of true partnership.

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## **Press Releases: Under Secretary Hale's Meeting With Georgian Minister of Foreign Affairs Zalkaliani**

Readout  
Office of the Spokesperson

Washington, DC  
September 19, 2018

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The below is attributable to Spokesperson Heather Nauert:□

Under Secretary for Political Affairs David Hale met with Georgian Minister of Foreign Affairs David Zalkaliani on September 19, 2018. During the meeting, Under Secretary Hale reiterated U.S. support for Georgia's sovereignty, independence, and territorial integrity, and both sides discussed U.S.-Georgian cooperation on common global security priorities and views on developments in the region.

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