

Tycoon Deripaska Sues U.S. Over Sanctions

By [Reuters](#)

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Oleg Deripaska ([Oleg Yakovlev / RBC / TASS](#))

Russian tycoon Oleg Deripaska sued the United States on Friday, alleging that it had overstepped its legal bounds in imposing sanctions on him and made him the "latest victim" in the U.S. probe into Moscow's alleged election interference.

In what legal experts called a long shot attempt, Deripaska asked a federal court in Washington to block the U.S. Treasury Department from using the "devastating power" of such sanctions, which he claims were arbitrarily applied to him last April and violated his right to due process under the U.S. Constitution.

Deripaska, his lawsuit says, has been unfairly swept up in a "general hysteria" based on unfounded allegations about him spread by members of U.S. Congress and others, set against the backdrop of Special Counsel Robert Mueller's investigation into possible collusion between Russia and the Trump campaign.

A Treasury spokesman declined to comment on a litigation matter and referred Reuters to the Justice Department, which declined to comment.

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Washington dropped the sanctions on Deripaska's two main companies, Rusal, the world's largest aluminum producer outside China, and its parent En+ Group, in January after an intense lobbying campaign in which the oligarch agreed to relinquish control over his corporate empire. But Deripaska himself remains blacklisted.

Deripaska, who secured a spot among Russia's elite group of oligarchs after prevailing in the "aluminum wars" of the 1990s, said the sanctions rendered him a pariah, shunned by business partners and banks, and had erased four-fifths of his net worth.

"The effect of these unlawful actions has been the wholesale devastation of Deripaska's wealth, reputation, and economic livelihood," his attorney, Erich Ferrari, wrote in the 28-page lawsuit submitted to the U.S. District Court in Washington, D.C.

When Deripaska was hit with sanctions in April, the Treasury Department's Office of Foreign Assets Control (OFAC) alleged that he and other rich and influential Russian oligarchs were profiting off their ties to Russian President Vladimir Putin and from the state's "malign activity" around the world.

The lawsuit questions whether Treasury can really back up those claims. It asks the court to order OFAC to hand over evidence and other records and remove Deripaska from the sanctions list.

Doug Jacobson, a trade lawyer in Washington, said that while the court may agree to order OFAC to hand over some records it would likely defer to the agency on the sanctions themselves.

"He's asking the judge to basically look at the executive order and make determination independent of OFAC and I think that's a very big ask," Jacobson said.

Michael Dobson, a former senior official at OFAC who worked on Russia sanctions before leaving the agency in late 2018, called Deripaska's lawsuit an "annoyance claim" that was unlikely to get traction given the broad deference given to OFAC by the courts.

"Ultimately I don't really think this case is going to go far," said Dobson, now at the Morrison & Foerster law firm.

Deripaska said that he had been unfairly criticized by members of Congress, including by Senator Robert Menendez, who had called for holding off on the easing of sanctions on Rusal and En+ to see if the Mueller probe turned up anything on Deripaska.

Deripaska has come under scrutiny by Mueller but has not been charged or accused of any wrongdoing in that probe.

He is of interest to Mueller because of his ties to the Kremlin and his decade-long relationship

with Paul Manafort, the one-time campaign chairman for U.S. President Donald Trump, who this month was sentenced to a total of seven and a half years in prison in two criminal cases brought by Mueller's team.

Trump has repeatedly called Mueller's investigation a "witch hunt" and denies any collusion with Russia. Russia denies interfering in the 2016 presidential election.

"After all of that time spent investigating Russia's alleged activities, it is not surprising that OFAC had to rely on rumor and innuendo to designate Deripaska," the lawsuit says.

"It appears to be the case that there is simply no evidence Deripaska is involved in the Russian Government's activities."

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