The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

New U.S. Sanctions Target Russia's Pro-Putin Oligarchs

By Sebastian Smith for AFP

March 03, 2022



Biden accused oligarchs of "lining their pockets with the Russian people's money while the Ukrainian people are hiding in subways from missiles." **TASS / AP Photo / Patrick Semansky**

The United States imposed sanctions on the ultra-wealthy Russian oligarchs at the heart of President Vladimir Putin's regime Thursday in the latest ratcheting up of pressure on the Kremlin to halt its invasion of Ukraine.

They and their family members "will be cut off from the U.S. financial system, their assets in the United States will be frozen and their property will be blocked from use," the White House said in a statement.

"The United States and governments all over the world will work to identify and freeze the assets Russian elites and their family members hold in our respective jurisdictions — their yachts, luxury apartments, money, and other ill-gotten gains."

The sanctions match earlier EU measures against Russia's wealthiest figures, but also include a ban on travel to the United States and preventing these targeted people from hiding their assets through transfer to family members.

"We're adding dozens of names ... , including one of Russia's wealthiest billionaires, and I'm banning travel to America by more than 50 Russian oligarchs, their families and their closest associates," U.S. President Joe Biden told reporters.

Biden accused oligarchs of "lining their pockets with the Russian people's money while the Ukrainian people are hiding in subways from missiles" and he vowed to maintain "the strongest, unified economic impact campaign in all history" against Moscow.

Britain — a favorite destination for oligarchs — announced a similar full asset freeze and travel ban on billionaire businessman Alisher Usmanov and former Deputy Prime Minister Igor Shuvalov. The pair, worth an estimated $19 billion, have "close links to the Kremlin," the Foreign Office said.

That brings the number of oligarchs hit by British sanctions to 15.

The oligarchs — government officials and business owners who have amassed vast wealth in an economy where only Putin loyalists can get ahead — are seen as vulnerable because much of their wealth is tied to Western interests.

They own prestigious property in New York, sports clubs across the West, enormous yachts in the Mediterranean and send their children to the most expensive U.S. universities, while traveling in luxury around the world.

Much of that lifestyle is now set to come to a halt.

'Squeeze' on Putin

"One of the big factors is of course the proximity to President Putin," White House Press Secretary Jen Psaki told reporters, explaining how the ultimate goal of the sanctions.

"We want him to feel the squeeze. We want the people around him to feel the squeeze. I don't believe this is going to be the last set of oligarchs. Making them a priority and a focus of our individual sanctions is something the president has been focused on."

The White House singled out several, including Usmanov, whose "property will be blocked from use in the United States and by U.S. persons — including his superyacht... and his private jet."

Usmanov's yacht, the "Dilbar," is currently at a shipyard in Hamburg for repair work.

Authorities there denied the yacht has been seized, but it is unlikely to leave Hamburg soon since all goods transported to Russia from the port now require individual customs permits.

The Biden administration listed Putin's wealthy, longtime spokesman Dmitry Peskov, a "top purveyor" of the Russian leader's "propaganda."

Also targeted were Nikolai Tokarev, boss of pipeline mammoth Transneft; brothers Boris and Arkady Rotenberg, who both play ice hockey with Putin and made their money from state construction contracts. Another on the list was Rostec head Sergei Chemezov.

The United States and its Western allies have already imposed sweeping sanctions aimed at hobbling Russia's economy and the ability of the Central Bank to defend the ruble.

However, the focus on oligarchs makes the financial offensive far more personal, going after people who for years have been not just untouchable but courted by Western governments eager to benefit from the Russians' spending sprees.

In many cases their children go to top European and U.S. schools and universities and some have obtained residency through so-called golden visa schemes. Throughout, the oligarchs have maintained steely loyalty to Putin — with those not toeing the line were sidelined or in the case of Mikhail Khodorkovsky imprisoned for years in what was seen as setting an example to the others.

Original url:
https://www.themoscowtimes.com/2022/03/03/new-us-sanctions-target-russias-pro-putin-oligarchs-a76748