

No Safe Haven: Launching the U.S.-Europe Coalition on Russia Sanctions



DECEMBER 13, 2022

**Briefing of the
Commission on Security and Cooperation in Europe**

Washington: 2023

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The membership of the OSCE has expanded to 57 participating States, reflecting the breakup of the Soviet Union, Czechoslovakia, and Yugoslavia.

The OSCE Secretariat is in Vienna, Austria, where weekly meetings of the participating States' permanent representatives are held. In addition, specialized seminars and meetings are convened in various locations. Periodic consultations are held among Senior Officials, Ministers and Heads of State or Government.

Although the OSCE continues to engage in standard setting in the fields of military security, economic and environmental cooperation, and human rights and humanitarian concerns, the Organization is primarily focused on initiatives designed to prevent, manage and resolve conflict within and among the participating States. The Organization deploys numerous missions and field activities located in Southeastern and Eastern Europe, the Caucasus, and Central Asia. The website of the OSCE is: <www.osce.org>.

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The Commission on Security and Cooperation in Europe, also known as the Helsinki Commission, is an independent U.S. Government commission created in 1976 to monitor and encourage compliance by the participating States with their OSCE commitments, with a particular emphasis on human rights.

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In fulfilling its mandate, the Commission gathers and disseminates relevant information to the U.S. Congress and the public by convening hearings, issuing reports that reflect the views of Members of the Commission and/or its staff, and providing details about the activities of the Helsinki process and developments in OSCE participating States.

The Commission also contributes to the formulation and execution of U.S. policy regarding the OSCE, including through Member and staff participation on U.S. Delegations to OSCE meetings. Members of the Commission have regular contact with parliamentarians, government officials, representatives of non-governmental organizations, and private individuals from participating States. The website of the Commission is: <www.csce.gov>.

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Commission on Security and Cooperation in Europe Washington, DC

The Briefing Was Held From 8:37 a.m. To 9:01 a.m. via videoconference, Paul Massaro, Senior Policy Advisor, Commission on Security and Cooperation in Europe, presiding.

Committee Members Present: Representative Steve Cohen [D-TN], Co-Chairman; Representative Joe Wilson [R-SC], Ranking Member.

Committee Staff Present: Paul Massaro, Senior Policy Advisor, Commission on Security and Cooperation in Europe.

Mr. MASSARO: Welcome to this launch of the U.S.-Europe Sanctions Coalition. This is an effort, an interparliamentary effort to buildup more sanctions and fill in the loopholes of those Russian oligarchs and other proxies who have not been sanctioned in the really, actually quite powerful G-7 effort to hold Russia accountable for its full-scale invasion, its genocide in Ukraine. Sanctions have been an absolutely critical part of this effort. Of course, we have to get weapons to Ukraine. That is, No. 1. We have to ensure that support goes to Ukraine. We also need sanctions, that is to say, we need to starve the Russian economy, we need to reduce Russia's capacity to kill, to commit this genocide.

Though we started out very strong after February 24th, after the initial invasion, we have really seemed to have tapered off. At the—initially, in the first few weeks, we saw an almost unprecedented effort—particularly from the EU, in fact, the United States actually followed a little bit the EU—one of the most impressive efforts in taking down a large section of Russian oligarchs, elites, proxies, members of the Duma, members of the Federal Council, freezing Russian reserves, one of the most extraordinary forms of sanctions freezing, just straight up this 300 billion Russian war chest in euros and dollars—an almost unprecedented kind of sanction—freezing Russian financial system, sadly leaving energy open, which led us—you know, enabled Russia to continue making money for quite some time. There was an initial talk about a coal ban, which was in place pretty quickly. Then gas remained to be bought for quite some time until finally it was Russia, in fact, that cutoff the gas in an effort to try to freeze out the EU. Then of course, now we have

the oil cap. That is the most recent thing. Although the oil cap is much higher than we are currently trading. In fact, it is currently having no effect.

Since then, there is really been no individualized sanctions or very few on a handful of mid-level individuals. We really need to see more of this. In that effort, we have members from five different countries on the line right now, led by Representative Steve Cohen of the Helsinki Commission—he is Co-chair of the Helsinki Commission—and then, of course, Ukrainian MP Oleksii Goncharenko, who have been putting together these letters with our partners around the world to pinpoint individuals that need to still be sanctioned. I mean, some of these individuals are truly conspicuous by their absence. One, of course, is the Ukrainian oligarch Roman or—Ukrainian—the Russian Abramovich, who still is not sanctioned by the United States, despite being sanctioned by the Ukraine and, you know, having all of his various assets around the world investigated and all these sorts of articles—and in fact, identifying where his assets are—sort of 10 billion in the Caymans, 10 billion in BVI, and so on and so forth to various hedge funds. Yet, we still do not have the sanctions on him. That is one example of the kind of individual we are trying to target here, trying to close the gaps and loopholes that have sprung up in the sanctions network.

Really there could be—the primary reason for this could just be that we need to do so many different things in order to ensure that Russia is unable to wage this unprecedented illegal, brutal war of aggression. So, I want to introduce sort of the five lawmakers that we are going to have speak today. They are going to go on the order of USA, Ukraine, U.K., Poland, and Estonia. We are first going to hear from Representative Steve Cohen. He is the Co-Chair of the Helsinki Commission and he is been the leader of these efforts, along with, second, Ukrainian parliament MP Oleksii Goncharenko. Then we are going to hear from our good friend, Bob Seely of the U.K. Parliament. We are then going to hear from Arkadiusz Mularczyk, the Polish deputy foreign minister, also an MP, given how the system works. Then, finally, we are going to hear from Estonian MP Eerik Kross.

Together these individuals have already put together two powerful letters identifying individuals including Steven Seagal and Roman Abramovich, but many others who have yet to be sanctioned, who still are falling through the gaps of our sanctions framework. Then we hope we will be continuing to put these together and have others join in this effort as we try to push and help our executive branches and governments identify the individuals that have yet to be sanctioned. With that, I want to hand the floor to Representative Steve Cohen.

Representative COHEN: Thank you, Paul, and thank you for all your work on this issue. You have certainly been a wonderful staffer for us in an effort to—all over the world to help Ukraine.

This is part of Russia's hybrid war on the world, not just on Ukraine, which obviously it is, but also on the world through the oligarchs who have taken over—taken all the Russian assets or much of the Russian assets to their own personal benefit. Putin claims that Ukraine historically does not exist. He goes back to Peter the Great, and he goes back to all these different historical characters and conjures up the idea that Ukraine never existed. It is just part of Russia. The truth is, Russia never—does not exist. It is simply the Soviet Union broken up and stolen by some individuals, and oligarchs who have taken all the assets, ripped it off from the people, and Russia does not exist. There is not a Russian country. There is this sham government, a sham group that has stolen all those assets. We need to put sanctions on those people to stop them from warring on Ukraine,

and from eventually warring on all of the Western world, which is what Putin would do otherwise.

He has—sanctions have worked, but they need to work more. The fact that Abramovich has not been sanctioned by the United States is appalling to me. I have encouraged it for a long time. He is obviously involved, and I think he is probably made some people in our State Department—I am guessing. I have no knowledge of what he has done or what is said—made him think that he is kind of a good asset, that he is helping—was going to—he was allegedly going to bring about peace because he was going to—you know, he has not done any of that. I think he is just doing whatever he can to keep his assets. He—so far he has kept his assets in good shape.

He is—Steven Seagal, the same thing. He was over there in the hospitals testifying as to who was responsible for shooting up that prison. He had no knowledge. He did not know anything. He is a false guy, too. He is a Hollywood creation of a macho man. He is not a macho man. He is on his knees to Putin and on his knees to everybody to make money. He needs to be sanctioned as well.

Sanctions do work, but they need to be improved upon. Russian oligarchs have—some have kind of had a mea culpa. The only reason they have had any kind of a mea culpa is because of sanctions. It is the money that makes it matter. Money matters to them. They say it is not the money. It is the money. Russians are losing hundreds of billions of dollars on a regular basis. The budget in Russia, GDP is falling, standard of living is falling. The Russian people are noticing that, all because of sanctions. It is the Russian people who have to bring down Putin. Eventually, he has to be lowered in the eyes of the Russians to where he will resign or not to have the strength that he has. That is going to come through the Russian people suffering. They have suffered with all the money put into the war machine and the people lost. Those are all losses for the Russian people that Putin has used. If they—you also have to help with reparations and rebuild Ukraine, which would be close to a trillion-dollar deal. If the moneys that we have in banks frozen—it is frozen, taken, and used for that purpose, that will hurt the Russian people too. The Russians have been hurt by all the missiles and all the money that is going into the war machine and not into the human machine. We need to strike at Putin's entourage and lower his esteem with the Russian people. I think that is happening.

We need to remember—I am big on history, so I remember Bill Browder today. Mr. Seely, Bill Browder's Magnitsky law is kind of the beginning of sanctions, started. He is—it is right there at the beginning. Then our friend, Kara-Murza, who liked Navalny and so many other political prisoners have been taken by Russia because of their heroism and going back to fight for a free Russian State. The USA and the European Union, Britain, and Ukraine, countries in the European Union—or Britain and the European Union all impose sanctions against the—Putin.

Sometimes the situation looks disorganized and incongruent, unfortunately, so we need to do more to make that not the case. The EU will impose sanctions while Britain and the U.S. on certain occasions. This we have seen with Abramovich and others, and that is why we are locked in this coalition to bring together the parliamentarians of the USA, the European Union, Ukraine, and Great Britain to synchronize our efforts. We will no longer be—have a haven for Russia's corrupt and Putin's elite. We have seen the yachts around the world that have been taken, but we can not finish up the job. They have got—the money they have got are just—and it is hard to talk about in a way that the oligarchs and all the money they have got, which they do, it is in my opinion unbeliev-

able and obscene. Then Bezos is pretty wealthy. Musk with his rockets and Twitter, he is an evil person too. He is right there with Putin and Trump. Dangerous to the free world.

Our group has written letters to Secretary Blinken and High Representative of the European Union. Mr. Borrell, called to impose sanctions as soon as possible as many Russians were involved in the war in Ukraine: Abramovich, Vladimir Potanin, and Vladimir Lisin, are some of the richest Russians who do not have sanctions imposed on them yet. They are all on the Forbes list and they support Russia's war against Ukraine with their money and their businesses, both overtly and covertly. Putin uses them as his wallet. We must do everything we can to ensure that there is not even a single penny in his wallet. Putin is the enemy. Putin is the problem. Putin is the Hitler of the 21st century. We must unite to stop him because he will not stop without our efforts. Thank you very much for this call and for your support, and God bless.

Mr. MASSARO: Thank you very much, Rep. Cohen.

I want to emphasize a point that you said about the confiscation of assets. I mean, we also—I think this group wants to keep its eye on enabling that confiscation, absolutely one of the most important initiatives to take Russia's reserves, to take oligarch money, and to give it to Ukraine to ensure that, you know, Russia pays for the war. I know that that is something you have done a lot of legislation on, and thank you for that.

MP Goncharenko.

Mr. GONCHARENKO: Thank you very much. First of all, I would like to thank U.S. Congress Helsinki Commission, Representative Cohen, and Representative Wilson, and engine—great engine of our work Paul Massaro for all the work you are doing in support of Ukraine before February 24th and especially after February 24th. I think today we are making a new, very important step in this direction.

First, it is clear that the situation with the sanctions is very important. Sanctions do work. They really work. Unfortunately, there are still loopholes in the sanctions, and so we need to fill these loopholes.

Also, there is a problem of desynchronization because the United States of America has its own list of sanctioned persons, United Kingdom its own, European Union its own, and Ukraine its own. Certainly, it is the problem. That should be synchronized not to give any possibility for such people like Abramovich mentioned today, Lisin, I do not know, Kirkorov and other people who can just avoid the sanctions because they are in one jurisdiction but not in others. It is something which should be changed.

We—first, we created such a platform in the Parliamentary Assembly of the Council of Europe. I am very grateful to my colleagues, Arkadius Mularczyk and Eerik Kross, and others with whom we started it. Then we—now we are making a real U.S.-European—U.S. Europe coalition, with involvement of U.S. Congressmen and United Kingdom MP. That is very important. In our next letters, we will also address the Foreign Secretary Cleverly, because the United Kingdom is very important in this work. We know this.

We will continue our job. I am sure that we will have results on this. For sure it is not only about sanctions, but about freezing the assets and seizing of these assets in benefit of reconstruction of Ukraine, because it is not American taxpayers. It is not British, Polish, Estonian, Lithuanian taxpayers who should pay for this, for what was done by Russia and Ukraine. It is Russian oligarchs and Russia's Putin, and all his wallet, he is perpetrating this, and other malign agents who did and who should pay for this.

Also in our coalition we have members of European Parliament, members of Foreign Affairs Committee, and Lithuanian Petras Austrevicius. Unfortunately, today he would not speak. He can just come—does not have this possibility. It is very important the European Parliament is also in our coalition. There are a lot of to-dos. We need to work on Russian methodology, because they are still sending weapons to Europe.

The same people who are producing Russian tanks and missiles, we need to work on Rosatom, a very big Russian industry which is not still under sanctions. It is also something which should be changed. In general, we should say no safe haven, the great name of our meeting. The free world should not be the safe haven for Russian dirty money, for Russian malign agents, for criminals who are responsible for genocide in Ukraine, for killings in the United Kingdom, Czech Republic, Georgia, Syria, Africa, and all over the planet.

Thank you very much, colleagues. I am sure that our work will be a very useful and practical step in order for free world to win this war. Thank you very much.

Mr. MASSARO: Terrific. Thank you so much, Mr. Goncharenko.

I think it is sort of no wonder that we have here the United States, Ukraine, Poland, and the U.K., seeing as when one goes back to even February 24th and shortly before, you know, these were the countries that were really on the ball, knew it was coming, were preparing Ukrainian defense. Since then, we have been some of the most proactive. That is why I want to hand the floor now to MP Bob Seely, who has been a real champion around this stuff, and sort of a personal friend of the Commission.

MP Seely, please.

Mr. SEELY: Well, thank you very much, indeed. I hope you can hear me okay. I apologize about my darker room. We had a bit of a power cut in my bit of parliament at the moment. I can not blame President Putin, but it is the Victorian electricity system, which is unfortunately, letting us down. I have got no heating and no electricity. I feel like I should be in Odessa, but I am actually in London.

Right. Thank you, first, to Congressman Cohen. Thank you, to Paul. Above all, thanks to Oleksii Goncharenko for this brilliant initiative. I think it is a really important one. We all need to be working together. Russia is a massive threat to the international system. It is a threat to the finance system, to the global system of treaties, to peace, at least in Europe, and in fact to peace throughout the world as we know it.

Britain did move quickly to sanction people at the beginning of this war. It is also true to say that London was way too friendly to questionable Russian money as it flowed via to some, frankly, corrupt banks through the city of London, through other places, into tax havens in the Caribbean and elsewhere. Sanctions are working. As Oleksii and, indeed, Congressman Cohen said, the problem is with sanctions is that they are not synchronized.

I think that is something that we can be doing by writing letters to not only Secretary of State Blinken but also Foreign Secretary James Cleverly, and our prime minister here to ask why if people like—if you have major players sanctioned in the European Union but not in the U.K., why? If you have major players sanctioned in the U.K. and the European Union but not in the U.S., why is that? We have to bring that pressure to bare. I think cooperation is now absolutely vital. We have to close those loopholes for Putin's allies and, indeed Putin's money to hide.

As I said, a number of loopholes currently threaten to undermine sanctions. I think one of the most interesting things with me is that as this war evolves, Russian tactics evolve. One of the problems that we are facing is that Russia is outsourcing some of its machine tool parts—machine tool factories to places like Armenia and Uzbekistan, which become more difficult to sanction. Also, apparently the importation of washing machines and refrigerators is going up very sharply from some countries into Russia, because Russia then strips out those white goods, takes them to pieces, and uses the electronics in them for missiles and other military components.

We need to get wise and smart to what is happening and not only be systematically and comprehensively sanctioning individuals. Also understand how Russia is gaming the system in order to keep the flow of funds going by selling oil to non-Western countries, and then that oil finding its way into the Western markets, but also to see what is happening with sales of civilian equipment that then gets stripped out and used for military purposes.

As with all these things, information sharing is vital. Cooperation between Congress and Parliament, and the parliaments of the European Union, and very specifically the parliament in Ukraine, the Verkhovna Rada, is critical to our success. This is a very good start. What we need to do is now widen the group that we are, to get more people involved from more Countries, States, and Parliaments, to make sure that we act in unison to get this working. Thank you, to you all.

Mr. MASSARO: Thank you very much, Mr. Seely. Thanks for highlighting the export controls. That was another one of, I think, the really enormous and interesting innovations around the way that we initially responded and, in one sense, will be the most powerful long-term sanctions, if we can actually hold to it. Because it does prevent the rebuildup of the Russian military machine.

Finally, we have MP Deputy Foreign Minister of Poland Mularczyk.

Minister MULARCZYK: Thank you. Thank you. Thank you, Paul. Dear colleagues, I would like to thank the Helsinki Commission and our colleagues for the invitation to speak at this meeting. Let me start by saying, Poland strongly supports and will continue to support Ukraine in its attempts to repel the Russian aggression and in hosting 3.5 million Ukrainian citizens. Poland also provides direct and multidimensional support assistance to Ukraine. Poland is happy to be one of the biggest supporters of Ukraine, a country fighting not only for their freedom but also for Poland and Europe freedom.

The aggression that we see in Ukraine now is something that also lives in our recent memories, our Polish memories. Until today, in Poland we have been discussing justice for the Second World War and the unresolved issue of reparation, a topic that will be increasingly relevant for Ukraine in the future. On the current war, which lead to our Second World War Report, will also prove valuable for Ukraine in the near future. The U.S. and Europe are living in a moment of strategical geopolitical change. This is something that everyone should understand.

The world must bring a strategic defeat for Russia in the battle of Ukraine. The EU and U.S. must take steps to isolate Russia internationally, impose restrictive measures against the Russian economy, target the countries involved in the war, including Iran and Belarus, continue supporting the Ukrainian people, and ensure accountability for violations of international law and war crimes, and work within NATO and cooperate with

other allies worldwide. We need to keep adopting further measures to increase our pressure and weaken the Russian war machine.

Additional sectoral sanction shall include new export ban on ICT sector products and services and further businesses services ban. Moreover, we will have to adjust the oil price cap in order to further diminish Moscow's revenue and respond to market developments. We shall also agree on new individual listing on oligarchs, Russian military industrial companies, Kremlin's propaganda machine, and top commanders of the Russian armed forces. Also, we have to take steps in order to battle the circumvention of Western sanctions.

I am encouraged by the use of such fora like the Helsinki Commission, that houses politicians from Europe, the U.S., the U.K., Poland, and from the part of our Europe, to meet and discuss such difficult topics and forge a way forward. Thank you, dear colleagues.

Mr. MASSARO: Well, thank you very much. Thank you also for highlighting Iran and Belarus. It is really critical that we keep these sort of states in mind that have been—I mean, in Belarus's case, straight occupied. You know, almost an extension of the Russian empire at this point. Iran, which has been an enormous spoiler and supporter of Russia. I think that when we think of how we—how we sanctions and how we, you know, cutoff these states that are helping the Russian genocide effort, that is something we really need to focus on.

Thank you so very much to our lawmakers here. The U.S.-Europe Coalition on Russian Sanctions is hereby established. We are really looking forward to further letters and further work on this stuff. With that, we are going to close. Thank you so much.

[Whereupon, at 9:01 a.m., the briefing ended.]

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