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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

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April 11, 2022

The Honorable Alejandro Mayorkas
Secretary of Homeland Security
U.S. Department of Homeland Security
245 Murray Lane, S.W.
Washington, D.C. 20528

The Honorable Lloyd Austin III
Secretary of Defense
U.S. Department of Defense
1000 Defense Pentagon
Washington, D.C. 20301

Dear Secretary Mayorkas and Secretary Austin:

I write to express my concern about attempts by Russian entities to evade U.S. sanctions and urge your agencies to combat these tactics. The United States has led our allies around the world in imposing unprecedented economic sanctions on Vladimir Putin and his cronies for Russia's unprovoked invasion of Ukraine. However, even as U.S. and global sanctions enforcement increases, Russian entities – including ships carrying sanctioned cargo – are still attempting to evade the consequences of these sanctions. The Department of Homeland Security and the Department of Defense must take action to prevent these workarounds by Russian ships and help ensure that sanctioned Russian goods are not sold in U.S. markets.

While sanctions evasion takes many forms, I am particularly concerned about any continued shipping and sale of sanctioned goods, including energy products, which would allow the Russian Government to replenish its foreign currency reserves. In May 2020, the Departments of State and Treasury, along with the U.S. Coast Guard, issued guidance to address illicit shipping and sanctions evasion practices.¹ This guidance lists common practices that countries use to conduct illegal trade, including disabling the Automatic Identification System (AIS) required by the International Convention for the Safety of Life at Sea on commercial vessels and ship to ship (STS) transfers.² Both tactics obscure the origin of products and can allow both public and private actors to profit from illegal activity.

Reports indicate that Russian tankers disabled their AIS 33 times during one week in March.³ This is a drastic increase from the reported average of 14 disabling events per week prior to the announcement of the ban on Russian energy imports into the United States.⁴ While there are legitimate reasons for an AIS to be turned off (e.g. to avoid maritime piracy), this uptick in “dark activities” frequently coincides with STS meetings where goods can easily be transferred to non-sanctioned vessels. These transfers allow shippers to conceal the Russian

¹ https://home.treasury.gov/system/files/126/05142020_global_advisory_v1.pdf

² <https://www.imo.org/en/OurWork/Safety/Pages/AIS.aspx>

³ <https://www.bloomberg.com/news/articles/2022-03-27/russian-tankers-going-dark-raises-flags-on-sanctions-evasion>

⁴ Ibid

origin of their goods, potentially allowing sanctioned goods to enter the U.S. market. These apparent actions by Russian ships to evade sanctions are unacceptable, and the United States must work to better understand this method of evading sanctions and take steps to prevent Russia from using these tactics to evade sanctions and prop up its economy.

The Department of Homeland Security (DHS) is responsible for the security of our country's borders, and plays a critical role in ensuring that illegal and sanctioned goods do not enter our country. The Department of Defense (DoD) also works to protect our national security on the high seas, which includes maritime surveillance. It is critical that Congress understand how your Departments are individually and collectively working to enforce sanctions and prevent Russian efforts to undermine them.

The Subcommittee on Emerging Threats and Spending Oversight is tasked with identifying and examining emerging national security and economic threats and improving coordination between federal departments and agencies. As Chair of this subcommittee, I am seeking information and answers about these apparent Russian tactics and what additional actions your Departments can take to stop them. Please provide answers to the following questions:

1. How do your Departments assess the threat of Russian sanctions evasion utilizing “dark activities” tactics?
2. What assets, resources, or systems do your agencies employ to track sanctioned ships and goods to prevent their entry or sale into the United States?
3. What plans, procedures, or policies have your agencies taken to coordinate and collaborate against this emerging threat?
4. What additional steps will you take to address this emerging threat?

Please respond to these questions in writing no later than April 25, 2022, or contact Jillian Joyce (Jillian_Joyce@hsgac.senate.gov or 202-224-3324) to schedule a briefing with staff. I look forward to working with you on this critical matter and to ensure that Russia continues to be held responsible and pays a high price for their unprovoked aggression.

Sincerely,



Margaret Wood Hassan

United States Senator

Chair, Subcommittee on Emerging Threats and Spending Oversight