

United States Senate

WASHINGTON, DC 20510

December 1, 2023

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

Dear Secretary Austin:

We write in response to recent reports that the U.S. Department of Defense (DoD) unknowingly bought oil that ultimately came from Russia – even though the U.S. has banned the import of Russian oil and sanctioned purchases of Russian oil above the \$60 per barrel price cap agreed with other G7 countries. The United States has led efforts to impose significant economic sanctions on Vladimir Putin and his Russian supporters that provide funding for Russia’s unprovoked and unjustified invasion of Ukraine. Even as U.S. and partner nations work to increase enforcement of sanctions, Russian entities are exploiting loopholes and workarounds, to not only bring gas and oil to market, but in some cases surreptitiously sell fuel to the DoD.

While the DoD does not bear the responsibility of enforcing U.S. sanctions, it has a responsibility to make the best effort possible to prevent sanctioned goods from entering its supply chain. This is especially important considering that the DoD is one of the largest commercial purchasers of fuel oil in the world.

Therefore, we are very concerned about reports that the DoD is procuring various types of oil from a Greek refinery that has been receiving masked Russian oil via Turkey. Both the Washington Post and the Project On Government Oversight presented data showing that since 2019, the DoD has paid Motor Oil Hellas, a Greek refinery, more than \$1.1 billion, which includes a \$479 million purchase agreement that was finalized this past May.¹ In 2023, more than 50 percent of the fuel oil it has received and refined into usable forms came from the Dorytol Shipping Terminal in Turkey. That facility has received more than 60 percent of its fuel oil from Russia this year.²

The maze-like path of the oil from terminals in Russia to the U.S. fleet is almost certainly done intentionally by Russia to evade sanctions. However, it is incumbent upon the DoD to take clear steps to ensure that it is not contributing to the Kremlin’s war in Ukraine.

Previously, Congress has highlighted the risk of Russia’s attempt to evade sanctions via the use of third nation shipping and to encourage the DoD to collaborate with other government agencies

¹ <https://www.washingtonpost.com/business/2023/11/14/russian-oil-sanctions-us-greece-turkey/>

² <https://www.pogo.org/investigations/the-pentagon-is-buying-fuel-made-with-russian-oil>

to ensure that sanctions are upheld.³ However, given the continued threat of Russian sanctions evasion, and the DoD's unwitting involvement, we write to ask some additional questions:

1. How is the DoD documenting the origin of procured goods – including oil – to ensure that they are not subject to sanctions?
2. What steps are the DoD taking to ensure that sanctioned oil is not entering the DoD's supply chain through third countries?
3. What is the DoD doing to adjust its procurement process considering this reporting regarding the purchase of Russian oil?
4. Did any Federal Agency warn the DoD that they may be purchasing sanctioned oil and fuels from Motor Oil Hellas or any other foreign vendor?
5. Did any foreign entity warn the DoD that they may be purchasing oil and fuels from Motor Oil Hellas or any other foreign vendor that could be subject to sanctions?
6. Will the DoD continue its planned procurement of oil and fuels from Motor Oil Hellas?

Please respond to these questions in writing or contact our offices to schedule a briefing with staff no later than January 9, 2024. We 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



Marco Rubio
United States Senator

³ <https://www.hassan.senate.gov/imo/media/doc/220329.dodhssanctionsletterfinal.pdf>