

# CRS Insights

Russia Sanctions: Options

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## Sanctions Authorities Already Acted On

On March 16, 2014, President Barack Obama declared that the "actions and policies of the Government of the Russian Federation with respect to Ukraine—including the recent deployment of Russian Federation military forces in the Crimea region of Ukraine—undermine democratic processes and institutions in Ukraine; threaten its peace, security, stability, sovereignty, and territorial integrity; and contribute to the misappropriation of its assets, and thereby constitute an unusual and extraordinary threat to the national security and foreign policy of the United States." The [President ordered](#) the Treasury Department to block access to assets under U.S. jurisdiction of, and prohibit transactions with, seven Russians considered to be President Putin's close advisors. Treasury, in consultation with the State Department, has continued to add to this list of specially designated nationals; today 64 Russian individuals and entities are identified under the sanctions regime triggered by events in Ukraine.

On March 20, 2014, the President expanded the sanctions' reach, authorizing the Secretary of the Treasury to identify individuals and entities in Russia's "financial services, energy, metals and mining, engineering, and defense and related materials" sectors.

On July 16, 2014, the United States initiated [unilateral restrictions targeting powerful interests](#) in Russia's financial, energy, and military technology sectors—including [Gazprombank](#), [Vnesheconombank \(VEB\)](#), [Novatek](#), and [Rosneft](#). Treasury also blocked assets of four senior Russian government officials in an effort to "tighten the noose," as one [policy observer](#) put it.

Congress supported the President's initial steps by enacting the Support for the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act of 2014 ([P.L. 113-95](#); April 3, 2014). The act requires the President to block assets and deny visas to those destabilizing Ukraine (§8), and encourages him to take similar actions against those responsible for "acts of significant corruption" in Russia (§9).

## Under Consideration in Congress

Members of Congress have introduced a number of legislative proposals that, if enacted, could further isolate Russia's leadership and those found to be involved in Ukraine's destabilization. Still more proposals are circulating the Hill in draft form or being flown as "trial balloons" on the political talk show circuit. Some implicate points of bilateral cooperation and negotiations that were ongoing when the Ukraine border was breached. Others look for points of Russian vulnerability that, if exploited, could have maximum effect on Russia's decision-makers.

Some of the proposed actions include measures to:

- Codify steps already taken, including blocking assets, denying visas, and suspending G-8 gatherings until the conflict in Ukraine is resolved.
- Cause the *Fédération Internationale de Football Association* (FIFA) to rescind its awarding the 2018 World Cup football (soccer) games to Russia. FIFA is organized under Swiss law. While no one is talking "boycott" just yet, probably recalling when Olympic events were boycotted and the unintended impact on the boycotting states, the cancellation of cultural and sports exchanges can have an isolating effect.
- Reassess bilateral negotiations that are underway to advance beyond the "New START Treaty," including information-sharing related to ballistic missile capabilities and possible reductions.

- Reassess making any extraordinary payments to the Russian Aviation and Space Agency to meet U.S. obligations relating to the International Space Station, recommended in the context of Russia's bilateral relationships with Iran, Syria, and North Korea and its possible lack of commitment to international nonproliferation standards.
- Declare Russia in breach of its obligations under the Intermediate-Range Nuclear Forces (INF) Treaty.
- Extend current prohibitions on Department of Defense (DOD) entering into contracts with Rosoboronexport ([P.L. 113-66](#), §1255)—a Russian-state-owned manufacturer from which the United States has entered into contracts to service Afghanistan's military helicopters, among other things—or its subsidiaries or affiliates to a government-wide prohibition, or perhaps also to U.S. commercial contracts.
- Extend prohibitions on issuing visas to all Russian government officials until Congress confirms that certain conditions have been met.
- Broaden the list of designated individuals subject to sanctions to include any Russian government official, and any senior official of its top state-owned and commercial enterprises.
- Curtail DOD military-to-military or U.S. Department of Energy contacts.
- Begin negotiations to cause Russia to be ousted from the World Trade Organization.
- Deny Trade and Development Agency, Overseas Private Investment Corporation, and Export-Import Bank programs and funding for Russia investments.
- Designate those entities identified for sanctions related to Russia-Ukraine events as Foreign Terrorist Organizations (FTOs), where appropriate (e.g., the Donetsk People's Republic).
- Prohibit SWIFT financial transaction messaging service from engaging with U.S. banks while it continues to provide services to Russian banks.
- Prohibit U.S. investment in Crimea if the project involves any Russian official or entity based primarily in Russia.
- Oppose loans considered by any international financial institution (IFI) for any project in Crimea if the project involves any Russian official or entity based primarily in Russia. Or, more broadly, oppose any IFI loan for any project in Russia.
- Deny entry into any U.S. port to any vessel arriving from, or carrying cargo from, Crimea but operating under Russian customs authorities.

### The Complicated Bilateral Relationship

The United States and Russia cooperate on a range of pursuits: negotiations relating to denuclearization of Iran and North Korea; peace in Syria and Sudan; purchase of Rosoboronexport helicopters to equip Afghanistan's military; stocking of and transportation to the International Space Station; compliance with and negotiating new weapons reduction agreements; shared interests in meeting carbon emissions caps; and entering into other environment and wildlife conservation agreements. The conflict in Ukraine threatens these points of shared interest as well as the effectiveness of the venues, most notably the United Nations, in which Russia and the United States meet to seek solutions to problems of mutual concern.