



New Sanctions Rightly Tighten The Noose On Russia

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The new cold war between Moscow and Washington just got a little bit colder.

On Friday, the U.S. Treasury Department issued a new round of economic sanctions against 38 separate Russian personalities and businesses. The measure represents a major escalation of pressure against the Kremlin, because it singles out a number of key stakeholders as a way of ratcheting up the costs to Russia's leadership of their country's increasingly hostile international behavior.

"The Russian government operates for the disproportionate benefit of oligarchs and government elites," Treasury Secretary Steven Mnuchin noted upon announcing the new measure. "The Russian government engages in a range of malign activity around the globe, including continuing to occupy Crimea and instigate violence in eastern Ukraine, supplying the Assad regime with material and weaponry as they bomb their own civilians, attempting to subvert Western democracies, and malicious cyber activities. Russian oligarchs and elites who profit from this corrupt system will no longer be insulated from the consequences of their government's destabilizing activities."

Among those targeted by the new sanctions is Oleg Deripaska, the metals magnate who ranks as a close confidante of Russian Deputy Prime Minister Sergei Prikhodko and other top officials - and who has long operated as an informal ambassador of sorts for the Kremlin. Blacklisted, too, is Alexei Miller, the CEO of Russia's state natural gas giant, Gazprom, which plays a key part in the Kremlin's global energy diplomacy and which has been integral to Russia's ongoing campaign of economic pressure against neighboring Ukraine. Even Russian President Vladimir Putin's son-in-law, Kirill Shamalov, now a billionaire oligarch as a result of his family connections, has found himself in the hot seat.

Key members of Putin's government likewise have been singled out. The new Treasury order blacklists Nikolai Patrushev, the powerful Secretary of Russia's National Security Council, and Alexander Zharov, head of the Russian government's state censor, ROSKOMNADZOR. It also specifically designates Viktor Zolotov, head of the "Rosgvardia," the massive praetorian guard of more than 300,000 men created in 2016 to keep Putin in power.

They, and others, face freezes on any assets they have that are subject to U.S. jurisdiction, and a ban on doing future business with American entities and individuals. So, too, does ROSBORONEXPORT, Russia's official and highly-lucrative arms exporter, and RUSAL, Deripaska's sprawling aluminum consortium (which accounts for nearly 10 percent of global production of that metal).

The latest tranche of sanctions brings the number of Russian individuals and entities blacklisted by the Trump administration to nearly 200, putting the lie to the persistent perception that the new White House is somehow "soft" on Russia. It also provides perhaps the clearest insight to date of the Administration's thinking about what actually makes Moscow tick.

Given Vladimir Putin's outsize persona and political prominence, it's easy to see him as Russia's sole relevant decision maker. The reality, however, is quite different. Putin, while undoubtedly influential, operates at the pleasure of a small cohort of oligarchs and personalities, whose interests (both political and financial) he is forced to protect in order to maintain his hold on power. By targeting these individuals and their commercial holdings, the Trump administration is seeking to raise the costs to them - and through them, to Putin - of the Russian government's adventurism in Syria, in Ukraine and in cyberspace.

Will this pressure be sufficient to change Kremlin policy? Only time will tell. Even so, the new sanctions send an unmistakable message to some of Russia's most important strategic actors: that the malign international behavior they have long condoned on the part of the Putin regime can't be considered a cost-free affair any longer.

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