

United States Senate

WASHINGTON, DC 20510

January 4, 2019

The Honorable Steven Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Mnuchin:

I am writing in reference to a letter from OFAC Director Andrea Gacki, dated December 19, 2018 (the “Gacki Letter”), regarding the planned sanctions delisting of EN+ Group plc, (En+), UC Rusal plc (Rusal), and JSC EuroSibEnergo (ESE). I appreciate our ongoing dialogue on implementation of sanctions on the Russian Federation and the importance of countering Kremlin aggression.

The imposition of sanctions on Mr. Oleg Deripaska on April 6, 2018 was the right decision, and I am pleased that the Administration has committed to retain sanctions on him. I understand that the Administration has come under tremendous pressure to remove sanctions against EN+, Rusal, and ESE, which were also sanctioned on April 6, based on the determination that each of the three were owned or controlled by Mr. Deripaska. I have many outstanding questions, which were not addressed in the Gacki letter, concerning the planned delisting of these entities. Please provide responses to the questions listed below no later than January 11, 2019. Your responses are critical to Senate oversight efforts, including determining whether to exercise provisions under the Russia Review Act title of the Countering America’s Adversaries Through Sanctions Act (CAATSA).

1. How much of Mr. Deripaska’s assets have been frozen by the United States?
2. How much in liquid assets do you assess that Mr. Deripaska still has access to today?
3. Do you or the intelligence community assess that any individual has sought to conduct transactions on behalf of Mr. Deripaska in potential violation of Section 228 of CAATSA (PL 115-44)?
4. What is the exact allocation of the three-way split of Mr. Deripaska’s remaining 25% stake in En+ among VTB Bank, Glencore, and a charitable institution? What restrictions exist on these shares such that they cannot be held for eventual transfer back to Mr. Deripaska?
5. A November 2017 En+ prospectus reports that Mr. Deripaska’s family owns 10-12% of the company, in addition to the 44.9% ownership stake held by the oligarch. Does this reflect the anticipated ownership structure of the company post-agreement?
6. At 44.9%, will Mr. Deripaska be the largest single shareholder in En+ and the largest indirect owner of Rusal?

7. Do you or the intelligence community assess that the Kremlin has sought to alleviate the impact of sanctions on Mr. Deripaska through financial support or other means?
8. What is your assessment of the current relationship between Vladimir Putin and Mr. Deripaska? Do you assess that the Kremlin currently seeks to direct the behavior of Mr. Deripaska in the manner described in the April 6th designation?
9. Why was VTB Bank chosen to play a role in this agreement? Is there not an unsanctioned bank that could have been used?
10. Who is the independent third party that VTB Bank will work with to administer its role in the agreement?
11. Why is Mr. Deripaska allowed to appoint four members of the En+ Board of Directors under the agreement? Have these board members been selected? If so, who are they? What actual responsibilities will these board members have, given that they are prohibited under the agreement from serving on the audit and nominating committees?
12. How can Treasury ensure that Mr. Deripaska does not retain and exercise informal influence over the decision making and operations of Rusal given a 44.9% indirect ownership stake?
13. What other entities does Mr. Deripaska still maintain a 50%+ ownership stake in today?
14. Have Rusal, En+ and ESE actually agreed to these terms?
15. Who are the new owners of Rusal, En+, and ESE?
16. Please provide a description of the resources that OFAC will dedicate to conducting oversight on the implementation of the agreement. This description should include the number of staff that will work on this oversight and how much of their time they will dedicate to this task.

Sincerely,



Robert Menendez
United States Senator