

RADIOACTIVE: EXECUTIVES FROM RUSSIA'S ROSATOM CORPORATION MAY QUALIFY FOR U.S. SANCTIONS

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DECEMBER 6, 2023

Russia's state-run nuclear corporation, Rosatom, remains a key revenue-earner for Moscow. As the United States and European nations were tightening sanctions last year to counter Vladimir Putin's illegal invasion of Ukraine, these countries reportedly purchased \$1.7 billion in nuclear products and services from Rosatom.¹ The conglomerate's activities extend beyond the civil nuclear sphere, however. It is a crucial participant in Russia's takeover of Ukrainian nuclear facilities, where the Russian military has abused workers and threatened to cause a radiological disaster. Rosatom is also providing Russia's arms industry with key equipment for use against Ukraine.² It is a critical part of Moscow's nuclear weapons complex and provides nuclear fuel for China's atomic expansion.³ Despite these grim realities, in 2022, Alexey Likhachev, Rosatom's director-general, said the company achieved 15 percent export growth and more than \$18.5 billion in revenue.⁴

The Biden administration has been hesitant to sanction Rosatom and its associated entities because it believes such an action could rattle energy markets and disrupt transatlantic unity over Ukraine.⁵ Additionally, it will take time to replace nuclear supplies and services provided by Rosatom and its subsidiaries. However, Washington has started to get the message that the *status quo* is unsustainable. Beginning in February 2023, on four successive occasions, the administration targeted the company by sanctioning Russian nuclear and Rosatom-linked individuals and entities.⁶

1. Martha Mendoza and Dasha Litvinova, "Putin Profits Off U.S. and European Reliance on Russian Nuclear Fuel," *Associated Press*, August 10, 2023. (<https://apnews.com/article/russia-ukraine-war-us-europe-nuclear-exports-4129cbea2aaa69b1da5d09a41804f745>)

2. Catherine Belton, "Russia's State Nuclear Company Aids War Effort, Leading to Calls for Sanctions," *The Washington Post*, January 20, 2023. (<https://www.washingtonpost.com/world/2023/01/20/rosatom-ukraine-war-effort-sanctions/>)

3. Matthew Mpoke Bigg, "Russian Shellfire Cuts Power to Ukraine's Zaporizhzhia Nuclear Power Plant for a Second Time in Five Days," *The New York Times*, October 12, 2022. (<https://www.nytimes.com/live/2022/10/12/world/russia-ukraine-war-news#zaporizhzhia-nuclear-power-plant-power-cut>); Anthony Ruggiero and Andrea Stricker, "Russia is Fueling China's Nuclear Weapons Expansion," *Foundation for Defense of Democracies*, March 13, 2023. (<https://www.fdd.org/analysis/2023/03/13/russia-fueling-china-nuclear-weapons-expansion>)

4. Lidia Kelly, "Russia's Rosatom Sees 2022 Exports Growth at 15% - Report," *Reuters*, December 25, 2022. (<https://www.reuters.com/business/energy/russias-rosatom-sees-2022-exports-growth-15-report-2022-12-26>); "Rosatom Posts Revenue Exceeding 1.7 Trln Rubles in 2022," *Interfax* (Russia), January 31, 2023. (<https://interfax.com/newsroom/top-stories/87436>)

5. Ari Natter, Nick Wadhams, and Saleha Mohsin, "U.S. Weighs Sanctions on Russian Uranium Supplier Rosatom," *Bloomberg*, March 9, 2022. (<https://www.bloomberg.com/news/articles/2022-03-09/u-s-weighs-sanctions-on-russian-nuclear-power-supplier-rosatom>)

6. U.S. Department of State, Fact Sheet, "The United States Takes Sweeping Actions on the One Year Anniversary of Russia's War Against Ukraine," February 24, 2023. (<https://www.state.gov/the-united-states-takes-sweeping-actions-on-the-one-year-anniversary-of-russias-war-against-ukraine>); U.S. Department of State, Fact Sheet, "Further Curbing Russia's Efforts to Evade Sanctions and Perpetuate its War Against Ukraine," April 12, 2023. (<https://www.state.gov/further-curbing-russias-efforts-to-evade-sanctions-and-perpetuate-its-war-against-ukraine-2>); U.S. Department of State, Fact Sheet, "United States Imposes Additional Sanctions and Export Controls on Russia in Coordination with International Partners," May 19, 2023. (<https://www.state.gov/united-states-imposes-additional-sanctions-and-export-controls-on-russia>); U.S. Department of State, Fact Sheet, "Imposing Additional Sanctions on Those Supporting Russia's War Against Ukraine," July 20, 2023. (<https://www.state.gov/imposing-additional-sanctions-on-those-supporting-russias-war-against-ukraine>)

The administration must go further: It should sanction all members of Rosatom’s supervisory and management boards under Executive Order (E.O.) 14024. If it fails to do so swiftly, Congress should mandate that the administration make a determination within 60 days of whether all Rosatom board members meet the criteria for designation under E.O. 14024.

PREVIOUS ROSATOM-RELATED RECOMMENDATIONS

In February 2023, the Foundation for Defense of Democracies published “Ending Global Reliance on Russia’s Nuclear Energy Sector,” in which the authors of the present memorandum made four recommendations, including sanctions of Rosatom under E.O. 14024 and allowing business wind-down periods to send a strong indicator to the market.⁷ We noted that a wind-down period for Rosatom reactor projects could be 6-12 months, while the wind-down period for the purchase of nuclear fuel and other services could be 1-4 years. Unfortunately, the administration has not yet acted.

The administration’s leadership is sorely needed, in particular, to lead Europe in the right direction and to dissuade stalwart Russian partners from remaining Rosatom customers. At least two key European Union (EU) members, France and Hungary, want to retain business with Rosatom, decreasing the likelihood that the EU will adopt tough sanctions against the company.⁸ Washington must also contend more quickly with its own continued imports of Russian uranium and uranium products and secure alternative suppliers.

Requisite private sector investment to substitute Rosatom’s activities relies, in part, on the West sending a signal that it is serious about targeting the company and driving existing Rosatom customers to end ongoing relationships.

In our previous memorandum, we also recommended that Congress require President Biden’s development of a strategy for ending reliance on Rosatom within 180 days. Congress has not yet done so.

The administration and Congress should implement these previous recommendations.

ROSATOM’S SUPERVISORY BOARD

Rosatom’s supervisory board was established in 2017 by decree of the Russian president and includes high-level Russian officials.⁹ The United States has already sanctioned seven of the nine members of the board — but only for their non-Rosatom affiliations.

For example, in February 2022, after the invasion of Ukraine, the administration designated Sergei Kiriyenko, who was the first deputy chief of staff to the presidential office, the former prime minister of Russia, and the former director-general of Rosatom, under E.O. 14024 for his connections to the Russian government. In March 2021, the administration also designated Kiriyenko under E.O. 13661 in response to Moscow’s chemical weapons attack on Russian dissident Alexei Navalny.

7. Andrea Stricker and Anthony Ruggiero, “Ending Global Reliance on Russia’s Nuclear Sector,” *Foundation for Defense of Democracies*, February 3, 2023. (<https://www.fdd.org/analysis/2023/02/03/ending-global-reliance-on-russias-nuclear-energy-sector>); Executive Order 14024, “Blocking Property with Respect to Specified Harmful Foreign Activities of the Government of the Russian Federation,” April 15, 2021. (<https://www.federalregister.gov/documents/2021/04/19/2021-08098/blocking-property-with-respect-to-specified-harmful-foreign-activities-of-the-government-of-the>)

8. Leonie Kijewski and Jacopo Barigazzi, “EU Commission Scratches Russia Nuclear Sanctions Plans,” *Politico Europe* (Belgium), February 16, 2023. (<https://www.politico.eu/article/rosatom-russia-ukraine-volodymyr-zelenskyy-vladimir-putin-eu-executive-scratches-russia-nuclear-sanctions-plans>)

9. “Supervisory Board,” *Rosatom*, accessed August 3, 2023. (<https://www.rosatom.ru/en/about-us/governance/supboard>)

**Sergey Kirienko**

Chairman of the Board
First Deputy Chief of the
Presidential Executive Office
Former Prime Minister
Former General Director

**Larissa Brychyova**

Board Member
Assistant to President of Russia,
Head of the Legal Department,
Presidential Administration

**Sergey Korolev**

Board Member
Head of the Economic
Security Service, Federal
Security Service

**Alexey Likhachev**

Board Member
Director General

**Denis Manturov**

Board Member
Deputy Prime Minister of the
Russian Federation – Minister of
Industry and Trade

**Alexander Novak**

Board Member
Deputy Prime Minister for
Fuel Energy Complex
Former Minister of Energy

**Maxim Oreshkin**

Board Member
Assistant to President of
Russia, Deputy Chief of
the Government Staff

**Yuri Trutnev**

Board Member
Deputy Chairman of the
Government of the Russian
Federation and Representative
of the President of the Russian
Federation in the Far East
Federal district

**Yuri Ushakov**

Board Member
Assistant to
President of Russia

Likewise, the administration sanctioned Denis Manturov in late January 2023 for his role as Russia's deputy prime minister and minister of industry and trade, noting that he "oversees Russia's defense industry and the production of war materiel for Russia's use in Ukraine."¹⁰ But the department did not highlight either of their roles as current members of Rosatom's supervisory board. Doing so would be an important public declaration that the administration is serious about targeting the company and its senior officials.

Alexey Likhachev, Rosatom's director-general since 2016 and a former foreign minister of Russia, is a glaring omission from U.S. sanctions lists. He is a member of both Rosatom's supervisory and management boards and travels globally, representing major Rosatom partnerships and deals. He also liaises with international organizations such as the International Atomic Energy Agency (IAEA). Likhachev acts as the public face of the company and urges governments to ignore geopolitical realities and maintain and deepen business with Russia's nuclear sector despite the invasion.¹¹ He is the key interlocutor with IAEA director-general Rafael Grossi on risks to the Russian-occupied Zaporizhzhia nuclear power plant, where Rosatom oversees operations.¹² Notably, the United Kingdom, Australia, New Zealand, and Ukraine have sanctioned Likhachev. Sanctioning Rosatom's chief executive is a matter of political will, not capacity.

Yuri Ushakov is another supervisory board member whom the United States has not sanctioned. He is a foreign policy advisor to Putin and a former deputy foreign minister and Russian ambassador to the United States. Ushakov regularly

10. U.S. Department of State, Fact Sheet, "Actions to Counter Wagner and Degrade Russia's War Efforts in Ukraine," January 23, 2023. (<https://www.state.gov/actions-to-counter-wagner-and-degrade-russias-war-efforts-in-ukraine>)

11. Robyn Dixon and Paul Sonne, "Putin Warns Biden of 'Complete Rupture' in Relations if Sanctions Proceed," *The Washington Post*, December 31, 2021. (<https://www.washingtonpost.com/world/2021/12/30/biden-putin-ukraine-call>)

12. "Likhachev, Grossi Discuss Zaporozhye NPP Security, Agree on Further Contacts - Rosatom," *Interfax (Russia)*, June 23, 2023. (<https://interfax.com/newsroom/top-stories/91802>)

pushes for Western countries to withhold sanctions against Russia.¹³ In June 2023, he began talks led by the Vatican regarding the return of abducted Ukrainian children.¹⁴ He is sanctioned by Canada, New Zealand, and Ukraine.

ROSATOM'S MANAGEMENT BOARD

Washington has not sanctioned anyone on Rosatom's 14-person management board, which establishes "strategies, policies and objectives" for the company.¹⁵ By contrast, the United Kingdom has sanctioned every management board member and has clearly highlighted the individuals' affiliations with Rosatom. London enacted these sanctions more than eight months ago, raising serious questions about Washington's sanctions against Russia.

Management Board

KEY | Sanctioned by US: 0 / 14 | Sanctioned by UK: 14 / 14

| | | | | |
|---|---|--|---|--|
|  |  |  |  |  |
| Alexey Likhachev Chairman of the board Director General | Konstantin Denisov Deputy Director General for Security | Kirill Komarov First Deputy Director General for Development and International Business | Oleg Kryukov Director for Public Policy on Radioactive Waste, Spent Nuclear Fuel and Nuclear Decommissioning | Alexander Lokshin First Deputy Director General for Nuclear Energetics |
|  |  |  |  |  |
| Andrey Nikipelov Deputy Director General for Mechanical Engineering and Industrial Solutions | Sergey Novikov State Secretary – Deputy Director General for Execution of State Powers and Budgeting | Sergey Obozov Deputy Director General for Development of ROSATOM's Production System | Yuri Olenin Deputy Director General for Science and Strategy | Ilia Rebrov Deputy Director General for Economy and Finance |
|  |  |  |  | |
| Vyacheslav Ruksha Deputy Director General, Director for the Northern Sea Route Directorate | Nikolay Spasskiy Deputy Director General for International Relations | Yuri Yakovlev Deputy Director General for the State Safety Policy in the Defense Uses of Atomic Energy | Andrei Yuvenalyevich Petrov Director-General, Rosenergoatom | |

13. Robyn Dixon and Paul Sonne, "Putin Warns Biden of 'Complete Rupture' in Relations if Sanctions Proceed," *The Washington Post*, December 31, 2021. (<https://www.washingtonpost.com/world/2021/12/30/biden-putin-ukraine-call>)

14. Gareth Jones, Kevin Liffey, and Ron Popeski, "Kremlin Advisor, Papal Envoy on Ukraine Discuss Refugees: Catholic Prelate," *Reuters*, June 28, 2023. (<https://www.reuters.com/world/europe/kremlin-adviser-hold-talks-with-papal-envoy-ukraine-putins-request-2023-06-28>)

15. As of November 28, 2023, the management board page is no longer on Rosatom's website, potentially to avoid Western sanctions designations. An archived June 2022 web page from the *Wayback Machine* reveals the identities of 15 board members. Another part of Rosatom's website notes there are currently 16 members. Because of the confusion over the correct composition of the management board, this memo uses 14 members from the March 2023 UK designations the most recent publicly available information. See: "Management Board," *Rosatom*, June 2022, November 28, 2023. (archived version available at <https://web.archive.org/web/20220609164635/https://www.rosatom.ru/en/about-us/governance/management-board>); "Management Board," *Rosatom*, accessed November 28, 2023. (https://rosatom.ru/en/about-us/governance/board/index.php?sphrase_id=4835934)

Kirill Komarov, Rosatom's first deputy director general for development and international business, traveled last year to the IAEA's General Conference meeting in Vienna to sign a memorandum of understanding with ENBPar, a state-owned company linked to Brazil's Ministry of Mines and Energy.¹⁶ The agreement envisions "more dialogue between the two countries on the construction, operation and decommissioning of state-of-the-art, high- and small-capacity nuclear power plants." In May, Komarov hosted Bolivian representatives to review Russia's construction of a research reactor that is slated to be transferred to Bolivia in 2025.¹⁷

RECOMMENDATION FOR THE BIDEN ADMINISTRATION

The administration must sanction all members of Rosatom's supervisory and management boards under E.O. 14024, which would list them on the Treasury Department's Specially Designated Nationals (SDN) List and subject them to asset freezes and financial restrictions.¹⁸ The United Kingdom and Ukraine, for example, have already sanctioned Rosatom's management board. Sanctions by Washington would send a powerful signal to Rosatom's partners and the nuclear industry that America intends to implement a global wind-down of ties with Russia's nuclear sector.

Deputy Secretary of the Treasury Wally Adeyemo extolled the virtue of targeting a different Russian company's senior leadership. On August 11, the Treasury Department sanctioned the supervisory board of Alfa Group Consortium ("Alfa Group"), one of the largest financial and investment conglomerates in Russia. Adeyemo aptly noted, "Wealthy Russian elites should disabuse themselves of the notion that they can operate business as usual while the Kremlin wages war against the Ukrainian people."¹⁹ In May, Ukrainian President Volodymyr Zelenskyy expressed his frustration about lack of action against Rosatom, noting, "Ukraine does not understand why sanctions have not yet been introduced against Rosatom and its leadership."²⁰

RECOMMENDATION FOR CONGRESS

Congress can play an important role in sanctioning Rosatom's supervisory and management boards. Congressional action could require the administration to make a determination within 60 days of whether all board members meet the criteria for designation under E.O. 14024 and whether already designated members should also be sanctioned for their Rosatom affiliations.

CONCLUSION

The administration needs to close ongoing Russian sanctions loopholes to support Kyiv and deprive the Kremlin of Rosatom's revenue. American leadership on these sanctions, as well as financial and planning assistance to the nuclear industry, is necessary to replace Russian products and services and restrict a key earning sector of Moscow's economy at a critical point in the war. It would also send a clear message that Russia's occupation of Ukrainian nuclear plants and threats to nuclear safety and security have serious consequences.

16. "Brazil's ENBPar and Rosatom Agree to Cooperate," *World Nuclear News*, October 5, 2022. (<https://world-nuclear-news.org/Articles/Brazils-ENBPar-and-Rosatom-agree-to-cooperate>)

17. "Test Assembly Completed for Bolivia's Research Reactor," *World Nuclear News*, May 2, 2023. (<https://world-nuclear-news.org/Articles/Test-assembly-completed-for-Bolivia-s-research-rea>)

18. "Specially Designated Nationals And Blocked Persons List (SDN) Human Readable Lists," *U.S. Department of the Treasury*, last updated August 24, 2023. (<https://ofac.treasury.gov/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists>)

19. U.S. Department of the Treasury, Press Release, "Treasury Imposes Sanctions on Russian Elites and Russian Business Association," August 11, 2023. (<https://home.treasury.gov/news/press-releases/jy1690>)

20. Martha Mendoza and Dasha Litvinova, "Putin Profits Off U.S. and European Reliance on Russian Nuclear Fuel," *Associated Press*, August 10, 2023. (<https://apnews.com/article/russia-ukraine-war-us-europe-nuclear-exports-4129cbea2aaa69b1da5d09a41804f745>)

Foundation for Defense of Democracies (FDD)

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