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. 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. It is a critical part of Moscow's nuclear weapons complex and provides nuclear fuel for China's atomic expansion. 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.

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. 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.

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. 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. 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. 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.


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.” 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.

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. 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

pushes for Western countries to withhold sanctions against Russia. In June 2023, he began talks led by the Vatican regarding the return of abducted Ukrainian children. 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. 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

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<th>Key</th>
<th>Sanctioned by US: 0 / 14</th>
<th>Sanctioned by UK: 14 / 14</th>
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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


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. 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.

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. 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.” 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.”

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.

Foundation for Defense of Democracies (FDD)

FDD is a Washington, DC-based nonpartisan research institute focusing on national security and foreign policy.

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To address the threats posed to the United States and allies by nuclear, chemical, radiological, and biological weapons, FDD’s Nonproliferation and Biodefense Program experts produce actionable research and policy options on biodefense and pandemic preparedness; nuclear nonproliferation; chemical weapons; and WMD-delivery vehicles and conventional long-range strike capabilities.

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FDD’s Center on Economic and Financial Power studies national economic security, with a focus on how the United States can leverage its economic and financial power to achieve its national security objectives. CEFP promotes greater understanding of how the U.S. government can best employ its economic and financial authorities to counter its adversaries.

Andrea Stricker serves as the Nonproliferation and Biodefense Program’s deputy director, bringing expertise on nonproliferation, Iran, North Korea, and other security policy topics. Anthony Ruggiero serves as the program’s senior director. He has nearly two decades of experience serving in the U.S. government, including most recently as Deputy Assistant to the President for National Security Affairs and National Security Council (NSC) Senior Director for Counterproliferation and Biodefense.

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