

DOJ Launches Crackdown To Enforce Russia Sanctions

By Jack Queen

Law360 (March 2, 2022, 8:40 PM EST) -- Sweeping sanctions against Russia over its invasion of Ukraine will be immediately and aggressively enforced, the U.S. Department of Justice said Wednesday, unveiling a task force of more than a dozen attorneys to hunt for violators and seize the assets of Russian oligarchs.

Task Force KleptoCapture will aim to ensure the extraordinary raft of sanctions, export controls and other economic countermeasures deployed by the U.S. and its allies will isolate the Kremlin from global markets and impose "serious costs for this unjustified act of war," the DOJ said.

The move indicates there will be no grace period for compliance with the new global sanctions regime, which is unprecedented in scope and scale and continues to grow as world governments heap on measures.

"We will leave no stone unturned in our efforts to investigate, arrest and prosecute those whose criminal acts enable the Russian government to continue this unjust war," U.S. Attorney General Merrick Garland said in a statement. "Let me be clear: If you violate our laws, we will hold you accountable."

The task force will be run out of the Deputy Attorney General's Office and include prosecutors, agents and analysts from across the DOJ with expertise in areas such as sanctions and export control enforcement, anti-corruption and anti-money laundering, and national security investigations, according to a press release.

"To those bolstering the Russian regime through corruption and sanctions evasion: We will deprive you of safe haven and hold you accountable," Deputy Attorney General Lisa O. Monaco said in a statement. "Oligarchs be warned: We will use every tool to freeze and seize your criminal proceeds."

Brandon Van Grack, a Morrison & Foerster LLP partner and former senior DOJ official, said the government rarely enforces fresh sanctions so swiftly.

"This sends a really strong signal, because usually there's an adjustment period, a wind-down period, some recognition that there can be uncertainty," Van Grack told Law360 on Wednesday. "Here, the DOJ is indicating they view these sanctions as such critical national security priorities that they will immediately begin enforcing them."

And while international cooperation has long been key to sanctions enforcement, the coordinated

nature of the new measures signals global authorities will be working more closely than ever before.

"It's a recognition that this is no longer just about enforcing U.S. sanctions," Van Grack said. "It's about furthering national security and foreign policy goals using whatever tools the government has."

The interagency team, which draws its name from "kleptocracy," will be led by a veteran corruption prosecutor from the Manhattan U.S. attorney's office on special detail to Monaco's office. That investigator has a "long and successful track record of investigating Russian organized crime and recovering illicit assets," the DOJ said.

A DOJ spokesman declined to name the prosecutor. The U.S. Attorney's Office for the Southern District of New York didn't immediately respond to a request for comment Wednesday.

The department said KleptoCapture will be "fully empowered to use the most cutting-edge investigative techniques," including data analytics, cryptocurrency tracing, and intelligence from financial regulators, the private sector and foreign sources.

If suspects can't be immediately arrested, the department will seek seizure of their assets, including personal real estate and financial and commercial assets, the DOJ said. That work will complement the efforts of a transatlantic task force announced by President Joe Biden and other foreign leaders last month to identify and seize the assets of sanctioned individuals.

--Editing by Janice Carter Brown.