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December 13, 2022

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BUREAU OF INDUSTRY AND SECURITY

Office of Congressional and Public Affairs

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**COMMERCE CUTS OFF RUSSIAN PROCUREMENT NETWORK
EVADING EXPORT CONTROLS**

WASHINGTON, D.C. – Today, Matthew S. Axelrod, Assistant Secretary of Commerce for Export Enforcement, issued a Temporary Denial Order (TDO) immediately suspending the export privileges of three persons: Boris Livshits, Svetlana Skvortsova, and Aleksey Ippolitov; and two companies: Advanced Web Services, and Strandway, LLC, for 180 days for the unauthorized export of sensitive items subject to the Export Administration Regulations (EAR) to Russia. The TDO is available online [here](#).

“The powerful export controls we’ve put in place have been successful in isolating Russia from the global economy,” **said Assistant Secretary of Commerce for Export Enforcement Matthew S. Axelrod.** “Today’s coordinated DOJ and Commerce enforcement actions demonstrate our vigilance in uncovering Russian tactics to illicitly acquire the items they need to keep their brutal war going.”

“The evasion of export controls in order to support Russia’s war machine will not be tolerated,” **said Director of the Office of Export Enforcement John Sonderman.** “The Office of Export Enforcement will continue to leverage our unique authorities and global reach to target those who violate U.S. export control laws.”

TDOs are some of the most significant civil sanctions BIS can issue, cutting-off not only the right to export items subject to the EAR from the United States, but also to receive or participate in exports from the United States or reexports of items subject to the EAR. Today’s action prevents imminent violations of the EAR by denying Boris Livshits, Svetlana Skvortsova, Aleksey Ippolitov, Advanced Web Services, and Strandway, LLC the ability to apply for, obtain, or use any license, license exception, or export control document, or engaging in or benefitting from such transactions. The order was issued for a renewable 180-day period.

Case Background:

As described in the TDO and the indictment, as alleged, the respondents and defendants were affiliated with Serniya Engineering and Sertal LLC, Moscow-based companies that operate under the direction of Russian intelligence services to procure advanced electronics and sophisticated testing equipment for Russia’s military industrial complex and research and development sector. Serniya and Sertal operated a vast network of shell companies and bank accounts throughout the world, including the United States, that were allegedly used in furtherance of the scheme to conceal the involvement of the Russian government and the true Russian end users of U.S.-origin

equipment. This network began operations prior to Russia’s invasion of Ukraine and sought to obtain and divert items that had previously been subject to stringent U.S. export controls.

According to the TDO, the respondents unlawfully purchased and exported sensitive components, some of which can be used in military applications. Specifically, as alleged in the TDO, Livshits, a Russian national, attempted to evade export controls by creating shell companies, like Advanced Web Services and Strandway LLC, and associated bank accounts in the United States, to route shipments and layer financial transactions in order to obscure the true Russian end users. The respondents are alleged to have used this network to purchase and export highly sensitive and heavily regulated electronic components, including advanced semiconductors, for the Russian military, defense sector, and research institutions. This investigation was conducted by the BIS Office of Export Enforcement’s New York Field Office jointly with the Federal Bureau of Investigation.

Following Russia’s invasion of Ukraine in February 2022, the U.S. Department of the Treasury’s Office of Foreign Assets Control and the Department of Commerce’s Bureau of Industry and Security (BIS) levied sanctions and/or imposed licensing requirements against Serniya, Sertal, Yevgeniy Grinin and several companies used in the scheme, calling them “instrumental to the Russian Federation’s war machine.”

In a related action, the U.S. Department of Justice unsealed a 16 count indictment filed in the Eastern District of New York charging Boris Livshits, Svetlana Skvortsova, Aleksey Ippolitov, Yevgeniy Grinin, Vadim Konoshchenok, Alexey Brayman, and Vadim Yermolenko, for export violations and other criminal violations to include conspiracy and other charges related to a global procurement and money laundering network on behalf of the Russian government.

Authorities and Export Enforcement Contact:

The BIS actions announced today were taken under the authority of the Export Control Reform Act of 2018 and its implementing regulations, the EAR.

BIS controls exports and reexports of dual-use and less-sensitive military commodities, technology and software for reasons of national security, missile technology, nuclear non-proliferation, chemical and biological nonproliferation, crime control and regional stability. Criminal and administrative sanctions can be imposed for violations of the EAR. For more information, please visit: <https://www.bis.doc.gov/index.php/enforcement>.

Report suspected export control violations through the BIS [online tip portal](#). You can also call the Enforcement Hotline at 1-800-424-2980 or email EELeAd@bis.doc.gov.

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