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BUREAU OF INDUSTRY AND SECURITY
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**BIS TAKES ACTION AGAINST RUSSIAN NATIONAL AND RELATED COMPANY
FOR SENDING CONTROLLED COUNTERINTELLIGENCE ITEMS TO RUSSIA AND
NORTH KOREA**

WASHINGTON, D.C. – Today, Matthew S. Axelrod, Assistant Secretary for Export Enforcement at the U.S. Commerce Department’s Bureau of Industry and Security (BIS), issued a Temporary Denial Order (TDO) suspending the export privileges of Russian company Radiotester OOO a/k/a Radiotester LLC, as well as Russian individual Ilya Balakaev, for the unauthorized export of controlled counterintelligence items to Russia and North Korea. The TDO is available online [here](#).

In a related action, the U.S. Department of Justice unsealed a five count indictment in the Eastern District of New York charging Balakaev for smuggling devices commonly used in foreign counterintelligence and military operations out of the U.S. to Russia for the benefit of the Federal Security Service of the Russian Federation (FSB) and Democratic People’s Republic of Korea (“DPRK” or “North Korea”) in violation of U.S. export control laws.

“Illegal export schemes enabling sensitive foreign counterintelligence and military operations in Russia and North Korea directly harm U.S. national security and that of our allies,” said Assistant Secretary of Commerce for Export Enforcement Matthew S. Axelrod. “Those who would evade our expansive Russia controls, or our comprehensive restrictions against North Korea, are on notice – we will work tirelessly to find you and bring you to justice.”

“The Office of Export Enforcement will continue to leverage our unique authorities and global reach to target and prosecute those who violate U.S. export control laws,” said Director of the Office of Export Enforcement John Sonderman. “Illegal procurement in support of hostile intelligence services poses a threat to our national security and the privacy and security of all Americans. We will continue to work with our law enforcement colleagues in the U.S. and overseas to disrupt and prosecute any individuals who seek to jeopardize national security.”

TDOs are some of the most significant civil sanctions BIS can issue, cutting off not only the right to export items subject to the Export Administration Regulations (EAR) from the U.S., but also to receive or participate in exports from the United States or reexports of items subject to the EAR. The Assistant Secretary’s order denies all of the export privileges described in part 764 of the EAR, which include (but are not limited to) applying for, obtaining, or using any license, license exception, or export control document, or engaging in or benefitting from such transactions, in order to prevent imminent violations of the EAR. The order was issued for a renewable 180-day period and cuts off not only the individual’s and company’s ability to export from the United States, but also their ability to receive or participate in exports from the United States.

As described in the TDO and alleged in the indictment, since at least January 2017, Ilya Balakaev and others conspired to export electronic devices subject to the EAR to Russia. The TDO alleges that on multiple occasions, Ilya Balakaev unlawfully purchased sensitive electronic devices subject to the EAR, including spectrum analyzers, signal generators, and gas detection equipment. Balakaev used the spectrum analyzer and signal generator devices that he purchased in the United States to repair equipment for the FSB, and sold the gas detection equipment to North Korea, in violation of United States law.

The devices Balakaev purchased, repaired, and sold to the FSB and North Korea are items commonly used as part of sensitive foreign counterintelligence and military operations, including to scan a room to determine if it was bugged, to transmit encrypted communications, and to detect hazardous gases. In furtherance of the scheme, Balakaev used a network of individuals consisting of an individual in the United States and two Russian government officials from the FSB. This investigation was conducted by the BIS Office of Export Enforcement's New York Field Office jointly with the Federal Bureau of Investigation, Homeland Security Investigations, and U.S. Customs and Border Protection.

Authorities and Export Enforcement Contact:

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

BIS controls exports, reexports, and in-country transfers of dual-use commodities, technology and software for reasons of national security, missile technology, nuclear non-proliferation, chemical and biological non-proliferation, 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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