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BUREAU OF INDUSTRY AND SECURITY

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BIS ISSUES TEMPORARY DENIAL ORDER IN SUPPORT OF STRIKE FORCE CASE AGAINST DEFENSE CONGLOMERATE ALLEGEDLY PROVIDING SUPPORT TO RUSSIAN INTELLIGENCE SERVICES

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 the Aratos Group, a network of defense-related companies in the Netherlands and Greece, and its president, Nikolaos Bogonikolos. Today’s actions are related to a May 22, 2023, criminal indictment issued in the Eastern District of New York and are the result of coordination by the Disruptive Technology Strike Force co-led by the Departments of Justice and Commerce. While Bogonikolos remains in custody, today’s action builds on the indictment by severing his company, Aratos Group, from access to U.S. origin items and technologies. The TDO also renews the denial of export privileges against three persons – Boris Livshits, Svetlana Skvortsova, and Aleksey Ippolitov – and two companies – Advanced Web Services, and Strandway, LLC – for the unauthorized export of sensitive items subject to the Export Administration Regulations (EAR) to Russia. The TDO is available online [here](#).

“The Aratos Group acted as a procurement agent for Russian intelligence services, falsifying documents to evade U.S. export controls,” said Assistant Secretary for Export Enforcement Matthew S. Axelrod. “This temporary denial order, issued as part of our Disruptive Technology Strike Force efforts, is designed to prevent Aratos Group from helping Putin acquire the technologies he needs to perpetuate his unlawful war against the Ukrainian people.”

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.

Case Background

As described in the initial TDO issued on December 13, 2022 ([link](#)), Livshits, Skvortsova, and Ippolitov were affiliated with Serniya Engineering (Serniya) and Sertal LLC (Sertal), 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.

The investigation by BIS's Office of Export Enforcement (OEE) has revealed that the Serniya network extends to multiple co-conspirators, like Bogonikolos, the founder and president of the Aratos Group, a network of defense-related companies in the Netherlands and Greece. Bogonikolos purchased sensitive military and dual-use items from U.S. companies on behalf of Serniya and Sertal and routed the shipments through the Aratos Group to various transshipment points to conceal the true Russian end users.

In a related action, on May 22, 2023, the U.S. Department of Justice issued a superseding indictment in the Eastern District of New York charging Livshits, Skvortsova, Ippolitov, Bogonikolos and others with conspiracy to violate the Export Control Reform Act, smuggling, and related charges. Bogonikolos was arrested in Paris on May 9, 2023, and currently remains in custody pending the resolution of extradition proceedings.

This case is part of a joint investigation between OEE's New York Field Office and the Federal Bureau of Investigation's New York Field Office as part of the Disruptive Technology Strike Force. The Strike Force is an interagency law enforcement effort co-led by the Departments of Justice and Commerce designed to target illicit actors, protect supply chains, and prevent critical technology from being acquired by authoritarian regimes and hostile nation-states. Under the leadership of the Assistant Attorney General for National Security and the Assistant Secretary of Commerce for Export Enforcement, the Strike Force leverages tools and authorities across the U.S. Government to enhance the criminal and administrative enforcement of export control laws.

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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