

Report on Supply Chain Compliance Volume 3, Number 9. April 30, 2020

Sanctions news: Russian group designated as global terrorists; British American Tobacco under investigation

By Sascha Matuszak

For the first time in history, the U.S. designated a white supremacist group as a terrorist organization.^[1] The group, based in Russia, fell afoul of Executive Order 13886, which amended previous executive orders by including training to commit acts of terrorism under the list of violations. According to a statement released by Secretary of State Michael Pompeo, the Russian Imperial Movement “has provided paramilitary-style training to white supremacists and neo-Nazis in Europe and actively works to rally these types of groups into a common front against their perceived enemies. RIM has two training facilities in St. Petersburg, which are likely being used for woodland and urban assault, tactical weapons, and hand-to-hand combat training.”

Like most orders involving sanctions, Executive Order 13886^[2] also targets every known associate, friend, business partner and cooperating institution of the sanctioned entity.

British American Tobacco PLC revealed in their annual report that U.S. authorities are investigating the company for a possible breach of sanctions. The company is already under investigation by the United Kingdom’s Serious Fraud Office for separate issues, according to their annual report.^[3]

The Group has been investigating, and is aware of governmental authorities’ investigations into, allegations of misconduct. It has been liaising with relevant authorities, including the UK’s Serious Fraud Office, which is conducting an investigation into suspicions of corruption in the conduct of business by Group companies and associated persons, and the DOJ and OFAC in the United States, which are conducting an investigation into suspicions of breach of sanctions. The Group is cooperating with the authorities’ investigations.... The potential for fines, penalties or other consequences cannot currently be assessed. As the investigations are ongoing, it is not yet possible to identify the timescale in which these matters might be resolved.

¹ Secretary of State Michael R. Pompeo, “United States Designates Russian Imperial Movement and Leaders as Global Terrorists,” news release, April 7, 2020, <https://bit.ly/2Vp7KiW>.

² Executive Order 13886 of September 9, 2019: Modernizing Sanctions To Combat Terrorism, 84 Fed. Reg. 48,041, (Sept. 12, 2019), <https://bit.ly/3au8ORY>.

³ British American Tobacco, *Annual Report and Form 20-F 2019*, last accessed April 24, 2020, <https://bit.ly/3cHcx5j>.

This publication is only available to subscribers. To view all documents, please log in or purchase access.

[Purchase Login](#)
