

# Forfeiture Trail for Russian Oligarchs' Luxury Assets

October 13, 2022

The Justice Department recently announced issuance of seizure warrants for a luxury [yacht](#) and [airplanes](#) located in various foreign countries and owned by sanctioned Russian oligarchs. The warrants anticipate the seizure and confiscation of property related to these individuals violating Russian sanctions and federal money laundering statutes. The affidavits filed in support of the warrants supply a statutory road map for the government's authority in these cases. Some Members of Congress have introduced a growing number of legislative proposals related to the seizure of property owned by sanctioned Russian oligarchs and those associated with the Russian regime, including [H.R. 6930](#), which passed the House on April 27, 2022. In addition, the Senate Judiciary Committee conducted a [hearing](#) on July 19, 2022.

## Background

In response to Russia's attacks on Ukraine in 2014 and 2022, both President Obama and President Biden invoked the International Emergency Economic Powers Act (IEEPA) to impose [sanctions](#) on a number of Russian individuals and entities. To facilitate enforcement of those sanctions, Attorney General Garland [created](#) a KleptoCapture task force, and the Treasury Department's Financial Crimes Enforcement Network [issued](#) an Advisory on Kleptocracy and Foreign Public Corruption, which "urg[ed] financial institutions to focus their efforts on detecting the proceeds of foreign public corruption."

Russian oligarchs allegedly acquired and maintained the [yacht](#) and [planes](#) that are the subject of the seizure warrants through a series of [shell companies](#) and straw men. These transactions often involved electronic fund transfers in the Cayman Islands, Cyprus, and the Channel Island of Jersey.

## Legal Context

Criminal and civil forfeiture begins with a crime. In the case of the seizure warrant for the yacht, the [affidavit](#) in support of the warrant refers to violations of [IEEPA](#) and the money laundering [statute](#); in the case of the seizure warrant for the [planes](#), the [affidavits](#) refer to violations of IEEPA, the money laundering statute, and the Export Control Reform Act ([ECRA](#)). In both affidavits, the IEEPA and ECRA allegations flow from charges of willful violations of executive orders, regulations, and licenses relating to the sanctions against Russia. Additionally, the affidavits allege IEEPA violations and the use of correspondent banking [accounts, which](#) implicate the money laundering statute. The government stated

**Congressional Research Service**

<https://crsreports.congress.gov>

LSB10840

that “[n]early all U.S. dollar wire [transfer] transactions conducted by foreign financial institutions are processed through correspondent bank accounts held in the United States.”

The government may confiscate crime-tainted property only when a statute declares such property forfeitable. The [yacht](#) and [airplane](#) affidavits rely on the [statute](#) that renders forfeitable property constituting, derived from, or traceable to money laundering predicate offenses such as IEEPA violations.

Courts in civil forfeiture cases, such as in the examples provided, [ordinarily](#) treat the forfeitable property as the defendant in the proceeding and requires seizure of the property. The U.S. District Court for the District of Columbia may [issue](#) seizure warrants for forfeitable property located abroad. Foreign authorities will [execute](#) the warrants pursuant to mutual legal assistance treaties or agreements with the United States.

Once the confiscated yacht and airplanes have been auctioned off, the proceeds would be [deposited](#) in the Treasury Department Forfeiture Fund.

## Author Information

Charles Doyle  
Senior Specialist in American Public Law

---

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS’s institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.