

# United States Senate

WASHINGTON, DC 20510

May 5, 2025

The Honorable Marco Rubio  
Assistant to the President for National Security Affairs  
The White House  
1600 Pennsylvania Ave, NW  
Washington, DC 20500

The Honorable Marco Rubio  
Secretary of State  
U.S. Department of State  
2201 C Street NW  
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Dear Secretary Rubio:

As you take on your new role at the National Security Council in addition to serving as Secretary of State, we urge you to make use of sanctions and export controls to continue raising the costs on Russia as it perpetuates its illegal war of choice against Ukraine. More than 100 days since President Trump took office, it appears that the Administration is unable or unwilling to apply sanctions pressure while negotiating to achieve a just and lasting peace. But after giving Russia the benefit of the doubt for months and negotiating on Vladimir Putin's terms, President Trump has recently acknowledged that "maybe [Putin] doesn't want to stop the war, he's just tapping me along, and has to be dealt with differently."<sup>1</sup> Notably, after Russia launched deadly strikes against Kyiv late last month, President Trump posted a message imploring President Putin to "STOP!"<sup>2</sup> Nevertheless, Russia continued to attack Ukraine, launching another round of deadly strikes the next night.

We urge you to take immediate action to increase pressure on Putin and communicate more credibly that the Kremlin must end its war of aggression:

1. Restart regular sanctions designations, including against PRC entities and other third-country targets that help Russia's war machine;
2. Strengthen sanctions on Russian energy to degrade Russia's ability to pay for its ballooning defense budget;
3. Disrupt banking relationships and PRC-Russia payment mechanisms that help Russia undermine our measures;
4. Stop encouraging private sector reengagement with Russia while it is continuing to strike Ukraine and sanctions remain in place, along with significant money laundering, corruption, and rule of law risks;
5. Demonstrate that the United States retains the capacity to thoroughly enforce sanctions and export controls despite the Administration's recent cuts;
6. Reverse the Administration's expansion of loopholes for Russian illicit finance;

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<sup>1</sup> Truth Social Post by President Donald J. Trump, @realDonaldTrump, April 26, 2025, <https://truthsocial.com/@realDonaldTrump/posts/114404524335638236>.

<sup>2</sup> Truth Social Post by President Donald J. Trump, @realDonaldTrump, April 24, 2025, <https://truthsocial.com/@realDonaldTrump/posts/114392923237368367>.

7. Oppose, rather than facilitate, Russia's attempts to regain banking connectivity under false pretenses; and
8. Exploit the sanctions leverage that the full G7 can bring to bear.

**1. Restart regular sanctions designations.** For months, the Trump Administration has announced no meaningful new sanctions on Russia—or on PRC, Iranian, and other third-country entities for facilitating Russia's war. That is a departure from the pattern since February 2022, in which the Departments of the Treasury, State, and Commerce have regularly implemented such measures. These actions have kept the cost to Russia rising steadily and have been critical in countering Russia's attempts to build new networks and pathways for evasion and revenue generation. Conspicuously, in late February, the United States failed to join our G7 partners in a major sanctions action to mark three years of Russia's illegal war. By comparison, on that date a year earlier, the United States sanctioned more than 500 entities and individuals tied to Russia's financial sector, defense industrial base, procurement networks, and sanctions evaders globally.<sup>3</sup> The longer the Administration waits to impose a next regular round of sanctions, the more the Administration risks creating the misperception that these sanctions are provocative rather than necessary to maintain an effective program in response to blatant, ongoing aggression.

The Administration should also immediately clarify that it will impose costs on companies that try to exploit diplomatic progress to evade U.S. measures. The Administration muddled the waters by negotiating language into a recent G7 Foreign Ministers' statement asserting that "[a]ny new, additional sanctions after February should be linked to whether the Russian Federation enters into real, good-faith efforts to bring an enduring end to the war..."<sup>4</sup> This text generated headlines and unhelpfully implied that the United States will not impose sanctions—whether on Russian targets or on would-be evaders in the PRC and other third countries—if talks are underway.<sup>5</sup> Unless the Administration acts, foreign companies may mistakenly assume that because Kremlin officials have been meeting with the Trump Administration, Russia has "entered" into the appropriate efforts and that it is thus open season for circumventing U.S. sanctions and export controls.

**2. Strengthen sanctions on Russian energy.** The United States should prioritize sanctions targeting Russia's energy sector in efforts to end the war. Market reactions have demonstrated that there are now more options to reduce Russia's oil revenue without causing global price spikes.<sup>6</sup> The Administration should build on Treasury's previous actions to sanction more Russian oil companies, opaque traders of Russian oil, and oil-carrying vessels like those in the "shadow" fleet. The Administration should also develop new measures to disrupt Russia's most important source of revenue. This includes considering expert proposals for U.S. secondary

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<sup>3</sup> U.S. Department of the Treasury, "On Second Anniversary of Russia's Further Invasion of Ukraine and Following the Death of Aleksey Navalny, Treasury Sanctions Hundreds of Targets in Russia and Globally," press release, February 23, 2024, <https://home.treasury.gov/news/press-releases/jy2117>.

<sup>4</sup> U.S. Department of State, "G7 Foreign Ministers' Statement on the Margins of the Munich Security Conference," February 15, 2025, <https://www.state.gov/g7-foreign-ministers-statement-on-the-margins-of-the-munich-security-conference/>.

<sup>5</sup> Reuters, "G7 ministers link future Russia sanctions to good faith talks," February 15, 2025, <https://www.reuters.com/world/g7-ministers-link-future-russia-sanctions-good-faith-talks-2025-02-15/>.

<sup>6</sup> Brookings Institution, "More sanctions on Russian oil tankers," Robin Brooks and Ben Harris, January 30, 2025, <https://www.brookings.edu/articles/more-sanctions-on-russian-oil-tankers/>.

sanctions covering any company involved in importing Russian oil unless Russia pays a price per barrel for the benefit of Ukraine.<sup>7</sup>

Oil aside, the Administration should not squander G7 success in disrupting Russia's flagship Arctic LNG 2 project. Perhaps because sanctions are taking a toll on the project, Russian officials have reportedly been enticing the Administration with the prospect of energy cooperation in the Arctic.<sup>8</sup> New reports point to the slow resumption of natural gas processing at Arctic LNG 2 last month, as "Russia's officials and businessmen have been cautiously optimistic about the prospects of sanctions easing after Trump took office."<sup>9</sup> The Administration should issue additional designations on any persons involved in the reported resumption of processing.

**3. Disrupt banking relationships and PRC-Russia payment mechanisms that help Russia undermine our measures.** On January 15, 2025, Treasury exposed a secret cross-border payment channel for sensitive exports from China to Russia, and it sanctioned entities in both the PRC and Russia for their role in this channel.<sup>10</sup> More recent press reporting describes an additional scheme to facilitate PRC-Russia trade.<sup>11</sup> The Administration should target those involved in any new or modified payment mechanism that helps Russia acquire dual-use goods and technology for its defense industrial base. It should also restart the process of identifying and targeting banks and financial intermediaries in any country if those entities help sustain Russia's war machine. The United States has warned that financial institutions anywhere risk being sanctioned themselves if they do so, including by dealing with persons already sanctioned in connection with Russia's war. Treasury has also warned third countries not to allow Russian banks to establish new overseas branches or subsidiaries.

**4. Stop encouraging private sector reengagement with Russia.** The Administration should cease its talk of "enormous economic deals"<sup>12</sup> and "very compelling commercial opportunities"<sup>13</sup> while the Kremlin fails to reduce serious money laundering, corruption, and rule of law risks—and while sanctions are still in place in response to Russia's aggression. The United States should not be encouraging business engagement with countries that are prosecuting an ongoing war, killing innocent civilians, and launching missile strikes on cities—let alone countries like Russia that exhibit high illicit finance risks and where a "kleptocratic environment undermines fair competition and the rule of law, making businesses susceptible to extortion, property

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<sup>7</sup> New York Times, "How to Punish Russia, Make Money and End the War," Glenn Hubbard and Catherine Wolfram, March 27, 2025, <https://www.nytimes.com/2025/03/27/opinion/russia-ukraine-us-tariffs.html>.

<sup>8</sup> Politico, "Russia and US eye joint Arctic energy projects after Saudi talks," Douglas Busvine, February 18, 2025, <https://www.politico.eu/article/russia-us-saudi-arctic-energy-rdif-ukraine-russia-capital/>.

<sup>9</sup> Reuters, "Russia's Arctic LNG 2 plant resumes operation 'slowly'," April 1, 2025, <https://www.reuters.com/business/energy/russias-arctic-lng-2-plant-resumes-operation-slowly-2025-04-01/>.

<sup>10</sup> U.S. Department of the Treasury, "Treasury Disrupts Russia's Sanctions Evasion Schemes," press release, January 15, 2025, <https://home.treasury.gov/news/press-releases/jy2785>.

<sup>11</sup> Reuters, Exclusive: 'China Track' bank netting system shields Russia-China trade from Western eyes," April 22, 2025, <https://www.reuters.com/business/finance/china-track-bank-netting-system-shields-russia-china-trade-western-eyes-2025-04-22/>.

<sup>12</sup> Just Security, "This Is No Time for Business as Usual in Russia," Albert Torres and David J. Kramer, April 1, 2025, <https://www.justsecurity.org/109793/no-time-for-normal-business-russia/>.

<sup>13</sup> Reuters, "Russian contacts with Witkoff are very productive, Putin envoy says," April 17, 2025, <https://www.reuters.com/world/russian-contacts-with-witkoff-are-very-productive-putin-envoy-says-2025-04-17/>.

seizures, and U.S. law enforcement action.”<sup>14</sup> It is bad for U.S. national security, harmful to global financial integrity, and dangerous for U.S. businesses when our government encourages such exposure. The Administration’s statements are also strategically counterproductive: the Administration harms its own leverage if private sector entities see the gates open and take steps that undermine the impact of U.S. sanctions.<sup>15</sup> The Administration’s statements may create longer-term challenges for the United States if the Russian government does not see purportedly significant commercial opportunities materialize in the future. Experts warn that the opportunities are overstated.<sup>16</sup>

**5. Demonstrate that the United States retains the capacity to thoroughly enforce sanctions and export controls despite the Administration’s recent cuts.** The Administration should be enforcing the rules that protect our national security and strategic interests. Instead, it is gutting the teams responsible for that enforcement. For example, it has disbanded Task Force KleptoCapture, a special unit at the Department of Justice that had “restrained, seized, and obtained judgments to forfeit nearly \$700 million in assets from Russian enablers and charged more than 70 individuals for violating international sanctions and export controls levied against Russia.”<sup>17</sup> The Administration has also disbanded the Corporate Enforcement Unit at the Department of Justice’s National Security Division, a unit that had been established to investigate and prosecute sanctions and export control violations. It similarly cut funding for the Bureau of Industry and Security at the Commerce Department, which is responsible for administering export controls on dual-use goods being sent to Russia.<sup>18</sup> The Administration should rebuild these units and make clear it will impose consequences on those who violate our sanctions and export controls.

**6. Reverse the Administration’s expansion of loopholes for Russian illicit finance.** Across previous administrations, the United States worked to strengthen anti-money laundering and countering the financing of terrorism (AML/CFT) regimes at home and abroad to close vulnerabilities that U.S. adversaries exploit. Russia’s intelligence services are among the threat actors that use shell companies registered in the United States to obfuscate illegal shipments of military-grade goods and technology.<sup>19</sup> Yet rather than demonstrating it will crack down on these kinds of abuses, the Trump Administration recently announced that it will not implement a bipartisan law to address the use of opaque entities registered in the United States, despite

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<sup>14</sup> U.S. Department of State, “Risks and Considerations for Doing Business in the Russian Federation and Russia-Occupied Territories of Ukraine,” February 23, 2024, <https://2021-2025.state.gov/russia-business-advisory/>.

<sup>15</sup> Financial Times, “Raiffeisen halts sale of Russia unit amid US thaw,” Mercedes Ruehl and Max Seddon, April 18, 2025, <https://www.ft.com/content/8b5c05b5-c6bf-4e11-9be1-e28f576b472a>.

<sup>16</sup> Financial Times, “There’s no money to be made in Russia,” Elena Ribakova, March 11, 2025, <https://www.ft.com/content/2cb2b6e7-b545-4dee-8e86-ab899857b204>.

<sup>17</sup> Radio Free Europe/Radio Liberty, “From Oligarchs To Cartels: The U.S. Reshapes Global Law Enforcement,” Ray Furlong, February 7, 2025, <https://www.rferl.org/a/u-s-attorney-general-pam-bondi-kleptocapture-russian-oligarchs/33306710.html>

<sup>18</sup> Bloomberg, “Trump Blocks 10% of Funds for Key Agency in US-China Tech Race,” Mackenzie Hawkins, March 26, 2025, <https://www.bloomberg.com/news/articles/2025-03-26/trump-blocks-10-of-chip-curb-agency-funds-drawing-senate-alarm>.

<sup>19</sup> U.S. Department of Justice, “U.S. and Russian National Pleads Guilty to Helping Russia's Defense Sector Evade U.S. Export Controls,” press release, November 1, 2024, <https://www.justice.gov/usao-edny/pr/us-and-russian-national-pleads-guilty-helping-russias-defense-sector-evade-us-export>.

decades of evidence that sanctions evaders, tax cheats, and fentanyl traffickers rely on anonymous U.S. companies.<sup>20</sup>

The Administration is also turning a blind eye to the growing risk that Russia—and North Korea, its co-belligerent in the war against Ukraine—are using cryptocurrencies to evade national security safeguards. In late 2024, Russia enacted new legislation allowing companies to use cryptocurrencies to get around U.S. sanctions and facilitate international payments, and Russian oil companies are reportedly beginning to use them.<sup>21</sup> The *Wall Street Journal* has also reported on the “growing alliance between the Trump family and Binance,” which paid a record \$4.3 billion fine for allowing terrorists, drug traffickers and sanctioned actors to move billions of dollars—including funds from the Russian dark-web market Hydra and from sanctioned regions of Russian-occupied Ukraine.<sup>22</sup> But instead of addressing these issues, the Trump Administration has directed prosecutors not to charge virtual currency exchanges for AML/CFT violations and disbanded the National Cryptocurrency Enforcement Team at the Department of Justice.<sup>23</sup> It should reverse those actions immediately.

**7. Oppose, rather than facilitate, Russia’s attempts to regain banking connectivity under false pretenses.** Russia’s war spiked global food and energy prices, even as U.S. sanctions do not target Russian agriculture and only partial energy restrictions have been applied over time. Russia blockaded Ukrainian ports and then attacked Ukrainian grain terminals and warehouses. If anything, Russia limited its own grain exports using quotas. Despite the fact that Russian grain and fertilizer exports reached record levels during the conflict with Ukraine,<sup>24</sup> the Trump Administration recently handed the Kremlin a propaganda victory by publicly agreeing to “help restore Russia’s access to the world market for agricultural and fertilizer exports, lower maritime insurance costs, and enhance access to ports and payment systems for such transactions.”<sup>25</sup> This

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<sup>20</sup> Financial Crimes Enforcement Network, “FinCEN Removes Beneficial Ownership Reporting Requirements for U.S. Companies and U.S. Persons, Sets New Deadlines for Foreign Companies,” press release, January 15, 2025, <https://www.fincen.gov/news/news-releases/fincen-removes-beneficial-ownership-reporting-requirements-us-companies-and-us>; FACT Coalition, “Fentanyl Traffickers, U.S. Adversaries Biggest Winners in New Treasury Proposal Benefitting Money Launderers,” press release, March 21, 2025, <https://thefactcoalition.org/fentanyl-traffickers-u-s-adversaries-biggest-winners-in-new-treasury-proposal/>.

<sup>21</sup> Chainalysis, “Russia’s Cryptocurrency Pivot: Legislated Sanctions Evasion,” September 5, 2024, <https://www.chainalysis.com/blog/russias-cryptocurrency-legislated-sanctions-evasion/>; Reuters, “Russia leans on cryptocurrencies for oil trade, sources say,” Anna Hirtenstein and Chen Aizhu, March 14, 2025, <https://www.reuters.com/business/energy/russia-leans-cryptocurrencies-oil-trade-sources-say-2025-03-14/>.

<sup>22</sup> Wall Street Journal, “Binance Seeks to Curb U.S. Oversight While in Deal Talks With Trump’s Crypto Company,” Angus Berwick, Patricia Kowsmann, and Rebecca Ballhaus, April 11, 2025, <https://www.wsj.com/finance/regulation/binance-world-liberty-financial-crypto-deals-70c817c3>; Wired, “DOJ Charges Binance With Vast Money-Laundering Scheme and Sanctions Violations,” Andy Greenberg, November 21, 2023, <https://www.wired.com/story/usa-binance-money-laundering-charges/>.

<sup>23</sup> U.S. Senate Committee on Banking, Housing, and Urban Affairs, “Warren, Hirono, Durbin Lead Colleagues in Urging DOJ to Reverse Decisions Greenlighting Cryptocurrency-Based Crime,” press release, April 10, 2025, <https://www.banking.senate.gov/newsroom/minority/warren-hirono-durbin-lead-colleagues-in-urging-doj-to-reverse-decisions-greenlighting-cryptocurrency-based-crime>.

<sup>24</sup> Reuters, “Black Sea deal unlikely to boost Russian food exports in short-term,” Gleb Bryanski, March 26, 2025, <https://www.reuters.com/markets/commodities/black-sea-deal-unlikely-boost-russian-food-exports-short-term-2025-03-26/>.

<sup>25</sup> The White House, “Outcomes of the United States and Russia Expert Groups On the Black Sea,” March 25, 2025, <https://www.whitehouse.gov/briefings-statements/2025/03/outcomes-of-the-united-states-and-russia-expert-groups-on-the-black-sea/>.

reportedly included a commitment to restore access to the SWIFT network for Russian Agricultural Bank, an action only the European Union can take. Experts argue that this demand has little to do with facilitating agricultural exports and more to do with Russia's financial challenges and its desire to present itself as a defender of global food security.<sup>26</sup> Rather than helping Russia spin this yarn, the Administration should be highlighting the disruptions Russia's war has caused so that third countries push Moscow to end its aggression.

**8. Exploit the sanctions leverage that the full G7 can bring to bear.** The Administration should be marshaling a united front, making clear to Russia that our global coalition will only unlock access to our major economies and financial centers once we, including the European Union and its member states, see that Russia has committed credibly to a just peace that preserves Ukraine's sovereignty and territorial integrity, and its ability to defend itself. But aside from breaking with our G7 partners in refusing to identify Russia as an aggressor, the Trump Administration has reportedly offered broad sanctions relief, among other concessions, without directly involving partners that have also imposed unprecedented sanctions and export controls. This only benefits the Kremlin, which is eager to divide the United States and Europe. If the Administration wants to end this war soon, it should help remove Moscow's doubt that our coalition will stay together if enough time passes. It is not too late for the Administration to change course on this or on any of the other lines of effort we have described.

Time is of the essence. We urge you to push the Administration to make clear it will impose additional costs on Putin for his failure to bring this war to a just and lasting peace.

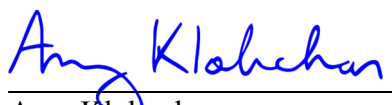
Sincerely,



Elizabeth Warren  
Ranking Member  
Committee on Banking,  
Housing, and Urban Affairs



Jeanne Shaheen  
United States Senator  
Ranking Member, Senate  
Foreign Relations Committee



Amy Klobuchar  
United States Senator



Andy Kim  
United States Senator

<sup>26</sup> Novaya Gazeta Europe, "Laughing all the way to the bank," Denis Morokhin, April 2, 2025, <https://novyagazeta.eu/articles/2025/04/02/laughing-all-the-way-to-the-bank-en>.



Christopher A. Coons  
United States Senator



Elissa Slotkin  
United States Senator

cc: Secretary Scott Bessent