

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

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Vasilii Sergeyeovich Besedin
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Aventura, Florida 33160

MIC P&I, LLC
15811 Collins Ave, Unit 4102
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and

2046 McKinley St., Ste 4
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Intermodal Maldives
1st Floor – H. Maaram
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JSC Smartavia Airlines
"Arkhangelsk" airport, 4/1
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ORDER TEMPORARILY DENYING EXPORT PRIVILEGES

Pursuant to Section 766.24 of the Export Administration Regulations (the “Regulations” or “EAR”),¹ the Bureau of Industry and Security (“BIS”), U.S. Department of Commerce,

¹ The Regulations, currently codified at 15 C.F.R. Parts 730-774 (2020), originally issued pursuant to the Export Administration Act (50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“EAA”), which lapsed on August 21, 2001. The President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by successive Presidential Notices, continued the Regulations in effect under the International Emergency Economic

through its Office of Export Enforcement (“OEE”), has requested the issuance of an Order temporarily denying, for a period of 180 days, the export privileges under the Regulations of: Oleg Sergeyevich Patsulya, Vasilii Sergeyevich Besedin, MIC P&I, LLC, Intermodal Maldives, and JSC Smartavia Airlines. OEE’s request and related information indicates that these parties are located in the United States, the Republic of Maldives, and/or the Russian Federation, at the respective addresses listed on the caption page of this order and on pages 9-11, *infra*, and that Patsulya and Besedin are Russian nationals who own, control and/or are affiliated with MIC P&I, LLC.

I. LEGAL STANDARD

Pursuant to Section 766.24, BIS may issue an order temporarily denying a respondent’s export privileges upon a showing that the order is necessary in the public interest to prevent an “imminent violation” of the Regulations. 15 C.F.R. §§ 766.24(b)(1) and 766.24(d). “A violation may be ‘imminent’ either in time or degree of likelihood.” 15 C.F.R. § 766.24(b)(3). BIS may show “either that a violation is about to occur, or that the general circumstances of the matter under investigation or case under criminal or administrative charges demonstrate a likelihood of future violations.” *Id.* As to the likelihood of future violations, BIS may show that the violation under investigation or charge “is significant, deliberate, covert and/or likely to occur again, rather than technical or negligent[.]” *Id.* A “[l]ack of information establishing the precise time a

Powers Act (50 U.S.C. § 1701, *et seq.* (2012)) (“IEEPA”). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all orders, rules, regulations, and other forms of administrative action that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA. Moreover, Section 1761(a)(5) of ECRA authorizes the issuance of temporary denial orders.

violation may occur does not preclude a finding that a violation is imminent, so long as there is sufficient reason to believe the likelihood of a violation.” *Id.*

II. OEE’S REQUEST FOR A TEMPORARY DENIAL ORDER

The U.S. Commerce Department, through BIS, responded to the Russian Federation’s (“Russia’s”) further invasion of Ukraine by implementing a sweeping series of stringent export controls that severely restrict Russia’s access to technologies and other items that it needs to sustain its aggressive military capabilities. These controls primarily target Russia’s defense, aerospace, and maritime sectors and are intended to cut off Russia’s access to vital technological inputs, atrophy key sectors of its industrial base, and undercut Russia’s strategic ambitions to exert influence on the world stage.

As of February 24, 2022, any item classified under any Export Classification Control Number (“ECCN”) in Categories 3 through 9 of the Commerce Control List (“CCL”) requires a license to be exported or reexported to Russia. *See* 87 Fed. Reg. 12226 (Mar. 3, 2022). As of April 8, 2022, the license requirements for Russia were expanded to cover all items on the CCL. *See* 87 Fed. Reg. 22130 (Apr. 14, 2022). These rules were codified in Title 15 C.F.R. § 746.8, which state, "a license is required, excluding deemed exports and deemed reexports, to export, reexport, or transfer (in-country) to or within Russia or Belarus any item subject to the EAR and specified in any Export Control Classification Number (ECCN) on the CCL.”

In its request, OEE has presented evidence that Oleg Sergeyevich Patsulya and Vasiliy Sergeyevich Besedin, operating in the United States and working together on behalf of MIC P&I, LLC (“MIC”), have engaged in the attempted procurement, export, and diversion of U.S.-origin commodities, including through Intermodal Maldives (“Intermodal”), for ultimate end use in

Russia without the proper BIS export licenses. These items include civil aviation parts and components. OEE has also presented evidence indicating that Patsulya and Besedin have undertaken procurement efforts, in part, on behalf of Russian airline JSC Smartavia Airlines (“Smartavia”), as well as Rossiya Airlines² and Pobeda Airlines,³ both Russian airlines on the BIS Denied Persons List (“DPL”).

A. Procurement Efforts for Russian Airlines

OEE’s ongoing investigation has revealed that, between in or around September and October 2022, Patsulya and Besedin, who live in the United States, attempted to procure more than two million dollars of U.S. origin civilian aircraft parts from one U.S. supplier, including large quantities of wheels, tires, and brakes. In particular, OEE has presented evidence that Patsulya and Besedin, acting as representatives of MIC, attempted to procure multiple quantities of an aircraft brake assembly, identified as Goodrich Part number 2-1740-1 (the “Goodrich brake assembly”), which is classified as ECCN 9A991.d, controlled for Anti-terrorism reasons, and would require a license for export to Russia. After Patsulya, Besedin, and MIC failed in their attempts to purchase the Goodrich brake assembly from this supplier, they subsequently purchased the brake assembly from another U.S. supplier.

OEE’s investigation has also determined that, beginning in and around May 2022, shortly prior to these procurement efforts, Patsulya began communicating with various Russian entities, including parties on the DPL, about supplying them with various aircraft parts and components.

² A TDO was first issued against Rossiya Airlines on May 20, 2022 and published in the *Federal Register* on May 25, 2022. *See* 87 Fed. Reg. 31856. The TDO was renewed on November 15, 2022 and published in the *Federal Register* on November 21, 2022. *See* 87 Fed. Reg. 70780. The TDO was renewed again on May 12, 2023.

³ A TDO was first issued against Pobeda Airlines on June 24, 2022 and published in the *Federal Register* on June 29, 2022. *See* 87 Fed. Reg. 38707. The TDO was renewed on December 20, 2022 and published in the *Federal Register* on December 23, 2022. *See* 87 Fed. Reg. 78925.

For example, OEE has presented evidence that, in June 2022, Smartavia provided Patsulya with a list of aircraft parts it sought to obtain, including the Goodrich brake assembly. On July 14, 2022, Patsulya emailed Smartavia with a quotation for delivery of various aircraft parts and components to Smartavia in Moscow, including two units of the Goodrich brake assembly. In August 2022, immediately after receiving a quotation for the Goodrich brake assemblies from a U.S. company, Patsulya emailed Smartavia again to offer two units for \$105,000 per unit. On August 16, 2022, Smartavia provided Patsulya with a purchase order for the two units. Patsulya responded with an invoice, identified as PI-0017-022, reflecting a unit price of \$105,000 and then subsequently sent himself an invoice, also identified as PI-0017-022, purportedly from an intermediary company to MIC.

On August 22, 2022, Besedin received an email from a U.S. parts supplier with information about five units of the Goodrich brake available for purchase. Besedin provided the information to Patsulya, who in turn sent Smartavia an invoice for five units of the Goodrich brake assembly, reflecting a total cost of \$515,000. On August 30, 2022, Smartavia provided Patsulya with proof of a wire transfer reflecting a payment of \$515,000.

OEE's request is also based on facts demonstrating that Patsulya began communicating with representatives of Rossiya Airlines and Pobeda Airlines about procurement of U.S. origin aircraft parts and components while both airlines were on the DPL. Specifically, on August 31, 2022, while Rossiya Airlines was subject to a TDO, Patsulya emailed a Rossiya Airlines representative to offer procurement of U.S. origin aircraft parts and supplies, representing himself and MIC as a supplier for Smartavia and Russian Ministry of Defense affiliates. Additionally, in October 2022, while Pobeda Airlines was subject to a TDO, Patsulya

communicated with a Pobeda Airlines representative about payment options for the Goodrich brake assembly and the TDO imposed against the airline.

B. Intermodal Maldives

As stated in OEE's request, OEE's investigation determined that shipments to Russia were being routed through Intermodal, a company in the Republic of Maldives. Based on evidence presented by OEE, Intermodal first began receiving exports from the United States in May of 2022 and, as of October 2022, had received approximately 212 shipments, the majority appearing to be aircraft parts. For example, OEE's investigation identified the following shipments to Russia between June and October 2022: (1) a Russian freight forwarder used Intermodal to receive a shipment of U.S. origin civil aircraft parts; (2) a Russian customer used Intermodal to forward and route lab equipment to Russia without the knowledge of the U.S. exporter; and (3) a shipment of directional drilling tools was sent to Moscow, Russia, through Intermodal. None of the export control documents related to these three shipments indicated that the items were destined for export to Russia. OEE has also presented evidence that another shipment to Intermodal which was destined for Russia contained a rotary actuator, which was designated as EAR99. Although some of the non-aircraft parts are designated as EAR99, OEE has reason to believe that a license would have been required pursuant to Section 746.5 of the EAR (Russian industry sector sanctions) and that no such license was obtained.

OEE's request is also based on facts revealed during an end-use check conducted by BIS at Intermodal on February 22, 2023. For example, the end-use check determined that Intermodal

is a designated cargo sales agent for PJSC Aeroflot,⁴ another Russian airline that has been on the BIS DPL since April 7, 2022. OEE also presented evidence that four of the five shipments specifically inquired about went to Russia, including one destined for Pobeda Airlines and another for Russian airline UTair Aviation JSC (“UTair”).⁵ The destination of the fifth shipment could not be determined.

C. MIC and Intermodal Detentions

OEE has also presented evidence related to its November 29, 2022 detention of a shipment destined for Intermodal. Specifically, the shipment detained by OEE included two units of the Goodrich brake assemblies, classified as ECCN 9A991.d and controlled for Anti-terrorism reasons. OEE’s ongoing investigation revealed that the brake assemblies were purchased by MIC and that Besedin personally traveled to a warehouse location to inspect the brakes. Although the brake assemblies would have required a license for export to Russia, no such license was obtained. On January 3, 2023, OEE detained another shipment of the Goodrich brake assemblies purchased by Patsulya and Besedin. Although Besedin initially told the vendor that the brake assemblies were destined for Intermodal, the information was later changed to reflect shipping to Turkey after Besedin was alerted by a U.S. freight forwarder of issues with shipping to Intermodal. Moreover, OEE’s requests include facts demonstrating that Patsulya and Besedin gave various and conflicting information about the ultimate destination and end user of the Goodrich brake assemblies.

⁴ A TDO was first issued against Aeroflot on April 7, 2022 and published in the *Federal Register* on April 12, 2022. See 87 Fed. Reg. 21611. The TDO was renewed on October 3, 2022 and again on March 29, 2023. See 88 Fed. Reg. 19609.

⁵ A TDO was first issued against UTair on April 7, 2022, and published in the *Federal Register* on April 12, 2022. See 87 Fed. Reg. 21616. The TDO was renewed on October 3, 2022 and again on March 29, 2023. See 88 Fed. Reg. 19911

D. Risk of Imminent Violation

As detailed in OEE's request and related information, since May 2022, Patsulya and Besedin, through MIC, have engaged in repeated attempts to procure U.S. origin commodities for Russian end users, including parties on the DPL. These efforts have involved multiple U.S. suppliers, indicating that when one procurement attempt fails, Patsulya and Besedin will simply continue engaging other suppliers. Moreover, OEE's request demonstrates that they have been actively promoting themselves as able to supply aircraft parts and components to Russian airlines, including those on the DPL. As detailed above, OEE's request also indicates that Smartavia has attempted to obtain U.S. origin commodities, including the Goodrich brake assemblies, on multiple occasions, and that Patsulya and Besedin self-identified as Smartavia's supplier.

OEE's request also reflects that between May 18, 2022 and February 28, 2023, Intermodal was listed as the ultimate or intermediate consignee on 248 exports valued at over \$5.1 million and that Patsulya and Besedin, through MIC, have made six attempts to export from the United States, including one to Intermodal and a second initially destined for Intermodal. Additionally, OEE has presented evidence that, as recently as April 20, 2023, Patsulya and Besedin have been emailing OEE agents in continued attempts to retrieve the detained aircraft Goodrich brake assemblies, maintaining that they were intended for use in Turkey and suggesting that their procurement efforts remain ongoing.

III. FINDINGS

As described above, I find that the evidence presented by BIS demonstrates that a violation of the Regulations by the above-captioned parties is imminent in both time and degree

of likelihood. As such, a TDO is needed to give notice to persons and companies in the United States and abroad that they should cease dealing with Oleg Sergeyevich Patsulya, Vasilii Sergeyevich Besedin, MIC P&I, LLC, Intermodal Maldives, and Smartavia Airlines in export or reexport transactions involving items subject to the EAR. Such a TDO is consistent with the public interest to preclude future violations of the Regulations given the deliberate, covert, and determined nature of the misconduct and clear disregard for complying with U.S. export control laws.

This Order is being issued on an *ex parte* basis without a hearing based upon BIS's showing of an imminent violation in accordance with Section 766.24 of the Regulations.

IT IS THEREFORE ORDERED:

FIRST, that **OLEG SERGEYEVICH PATSULYA**, with an address at 15811 Collins Ave Unit 4102, Sunny Isles Beach, Florida 33160; **VASILII SERGEYEVICH BESEDIN**, with an address at 2960 NE 207th St, Unit 502, Aventura, Florida 33160; **MIC P&I, LLC**, with an address at 15811 Collins Ave, Unit 4102, Sunny Isles Beach, FL 33160 and 2046 McKinley St., Ste 4, Hollywood, FL 33020; and **INTERMODAL MALDIVES** with an address at 1st Floor – H. Maaram Ameeru Ahmed Magu, Male, Republic of Maldives; and when acting for or on their behalf, any successors or assigns, agents, or employees (each a “Denied Person” and collectively the “Denied Persons”) may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the EAR, or in any other activity subject to the EAR including, but not limited to:

A. Applying for, obtaining, or using any license, license exception, or export control document;

B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the EAR, or in any other activity subject to the EAR; or

C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the EAR, or in any other activity subject to the EAR.

SECOND, that no person may, directly or indirectly, do any of the following:

A. Export or reexport to or on behalf of a Denied Person any item subject to the EAR;

B. Take any action that facilitates the acquisition or attempted acquisition by a Denied Person of the ownership, possession, or control of any item subject to the EAR that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby a Denied Person acquires or attempts to acquire such ownership, possession or control;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from a Denied Person of any item subject to the EAR that has been exported from the United States;

D. Obtain from a Denied Person in the United States any item subject to the EAR with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or

E. Engage in any transaction to service any item subject to the EAR that has been or will be exported from the United States and which is owned, possessed or controlled by a Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by a Denied Person if such service involves the use of any item subject to the EAR that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification, or testing.

THIRD, that **JSC SMARTAVIA AIRLINES** with an address at "Arkhangelsk" airport, 4/1 Arkhangelsk Russia, 163053, and when acting for or on their behalf, any successors or assigns, agents, or employees may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the EAR, or in any other activity subject to the EAR including, but not limited to:

A. Applying for, obtaining, or using any license (except directly related to safety of flight), license exception, or export control document;

B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the EAR except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations, or engaging in any other activity subject to the EAR except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations; or

C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the EAR, or from any other activity subject to the EAR except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations.

FOURTH, that no person may, directly or indirectly, do any of the following:

A. Export, reexport, or transfer (in-country) to or on behalf of Smartavia any item subject to the EAR except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations;

B. Take any action that facilitates the acquisition or attempted acquisition by Smartavia of the ownership, possession, or control of any item subject to the EAR that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby Smartavia acquires or attempts to acquire such ownership, possession or control except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from Smartavia of any item subject to the EAR that has been exported from the United States except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations;

D. Obtain from Smartavia in the United States any item subject to the EAR with knowledge or reason to know that the item will be, or is intended to be, exported from the United States except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations; or

E. Engage in any transaction to service any item subject to the EAR that has been or will be exported from the United States and which is owned, possessed or controlled by Smartavia, or service any item, of whatever origin, that is owned, possessed or controlled by Smartavia if such service involves the use of any item subject to the EAR that has been or will be exported from the United States except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations. For purposes of this paragraph, servicing means installation, maintenance, repair, modification, or testing.

FIFTH, that, after notice and opportunity for comment as provided in section 766.23 of the EAR, any other person, firm, corporation, or business organization related to Oleg Sergeyevich Patsulya, Vasiliy Sergeyevich Besedin, MIC P&I, LLC, Intermodal Maldives, or JSC Smartavia Airlines by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of this Order.

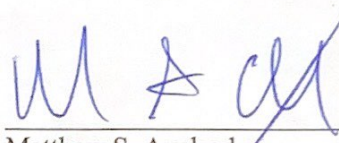
In accordance with the provisions of Section 766.24(e) of the EAR, Oleg Sergeyevich Patsulya, Vasiliy Sergeyevich Besedin, MIC P&I, LLC, Intermodal Maldives, and JSC Smartavia Airlines may, at any time, appeal this Order by filing a full written statement in support of the appeal with the Office of the Administrative Law Judge, U.S. Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202-4022.

In accordance with the provisions of Section 766.24(d) of the EAR, BIS may seek renewal of this Order by filing a written request not later than 20 days before the expiration date. Respondents Oleg Sergeyevich Patsulya, Vasiliy Sergeyevich Besedin, MIC P&I, LLC, Intermodal Maldives, and JSC Smartavia Airlines may oppose a request to renew this Order by

filing a written submission with the Assistant Secretary for Export Enforcement, which must be received not later than seven days before the expiration date of the Order.

A copy of this Order shall be served on each denied person and shall be published in the *Federal Register*.

This Order is effective immediately and shall remain in effect for 180 days.



Matthew S. Axelrod
Assistant Secretary of Commerce
for Export Enforcement

Dated: May 16, 2023.