

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

Turboshaft FZE)
Q3-117 Saif Zone 9732)
Sharjah, UAE)
)
Treetops Aviation)
Office #4801)
Marina Pinnacle Tower)
Dubai, UAE)
)
#1575 New Agents Bldg,)
Cargo Village P.O. Box 62369)
Dubai, UAE)
)
Black Metal FZE)
Q3-117 Saif Zone 9732)
Sharjah, UAE)
)
Timur Badr)
Q3-117 Saif Zone 9732)
Sharjah, UAE)
)
Elaine Balingit)
Office #4802)
Marina Pinnacle Tower)
Dubai, UAE)
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Q3-117 Saif Zone 9732)
Sharjah, UAE)

ORDER TEMPORARILY DENYING EXPORT PRIVILEGES

Pursuant to Section 766.24 of the Export Administration Regulations, 15 C.F.R. Parts 730-774 (“EAR” or “the Regulations”),¹ the Bureau of Industry and Security (“BIS”), U.S. Department of Commerce, 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: Turboshaft FZE (“Turboshaft”), Treetops Aviation (“Treetops”), Black Metal FZE (“Black Metal”), Timur Badr, and Elaine Balingit (collectively, the “Respondents”). OEE’s request and related information indicate that the parties are located in the United Arab Emirates (“UAE”), at the respective addresses listed on the caption page of this order, and that Badr, a Russian national, owns or controls Turboshaft FZE and Treetops Aviation.

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

¹ The Regulations, currently codified at 15 C.F.R. Parts 730-774 (2021), 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 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.

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 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 (“TDO”)

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.

Effective February 24, 2022, BIS imposed expansive controls on aviation-related (e.g., Commerce Control List Categories 7 and 9) items to Russia, including a license requirement for the export, reexport or transfer (in-country) to Russia of any aircraft or aircraft parts specified in Export Control Classification Number (“ECCN”) 9A991 (Section 746.8(a)(1) of the EAR).² BIS will review any export or reexport license applications for such items under a policy of denial. *See* Section 746.8(b). Effective March 2, 2022, BIS excluded any aircraft registered in, owned,

² 87 Fed. Reg. 12226 (Mar. 3, 2022). Additionally, BIS published a final rule effective April 8, 2022, which imposed licensing requirements on items controlled on the Commerce Control List (“CCL”) under Categories 0-2 that are destined for Russia or Belarus. Accordingly, now all CCL items require export, reexport, and transfer (in-country) licenses if destined for or within Russia or Belarus. 87 Fed. Reg. 22130 (Apr. 14, 2022).

or controlled by, or under charter or lease by Russia or a national of Russia from being eligible for license exception Aircraft, Vessels, and Spacecraft (“AVS”) (Section 740.15 of the EAR).³

In its request, OEE presented evidence indicating that the Respondents seek to procure the shipment of various U.S.-origin commodities, including certain aircraft parts classified as ECCN 9A991.d, to Russia, including to parties on the BIS Denied Persons List (“DPL”).

A. Badr Conduct Prior to the February 2022 Russian Invasion of Ukraine

In May 2019, Export Enforcement (EE) personnel met with Badr at his office in Sharjah, UAE. Badr informed the EE personnel that his business consisted of trading in civilian aviation electronics and parts—specifically purchasing the parts at low prices and then reselling them for use in the urgent repair of grounded aircraft.⁴ He stated that he stored aircraft parts at a property he owned in Moscow, Russia and admitted he purchased a Boeing 737 and tore it down for parts. The EE personnel informed Badr that the failure to secure export licenses prior to exporting controlled items, such as aircraft parts, could result in criminal prosecution. The EE personnel also advised Badr to conduct due diligence by obtaining end-user statements from his customers. Badr replied that he would lose customers if he required them to provide end-user statements.

B. Badr/Turboshaft/Treetops/Balingit Conduct After the February 2022 Russian Invasion of Ukraine

In February 2023, the head of the transportation department for S7 Engineering, an arm of Siberian Airlines,⁵ contacted a U.S. freight forwarder regarding the status of an aircraft part—

³ 87 Fed. Reg. 13048 (Mar. 8, 2022).

⁴ During the May 2019 meeting, Badr informed the OEE personnel that his business’ name changed from Turboshaft to Black Metal FZE due to debts incurred under the Turboshaft name.

⁵ Siberia Airlines, doing business as S7 Airlines, is itself the subject of a TDO. The first TDO against Siberia Airlines was effective upon its issuance on June 24, 2022, and published in the Federal Register on June 29, 2022 (87 Fed. Reg. 38709). The TDO has been renewed three times and the last renewal, which is effective for one year, was published in the Federal Register on December 14, 2023 (88 Fed. Reg. 86626).

a hydromechanical fuel unit used in Airbus aircraft—it ordered from Turboshaft.⁶ The communication included a Turboshaft invoice billed to S7 Engineering at a Russian Federation address. The communication established that the item was shipped from the United States, through the UAE, and along to Russia.

A social media profile associated with Elaine Balingit lists her as Turboshaft's logistics officer. Additionally, U.S. export records indicate that Balingit was listed as the ultimate consignee contact person for 18 shipments of aircraft parts and equipment to Turboshaft between January and July 2023. Balingit was likewise listed as the ultimate consignee contact person for 18 shipments of aircraft parts and equipment to Treetops between September and November 2023.

D. Ongoing and Pending Exports

As detailed in OEE's request and related information, Badr, Turboshaft, Treetops, Black Metal, and Balingit continue to engage in prohibited conduct. Import data reveals that 502 separate shipments, at least some of which consisted of aircraft parts, arrived in Russia between April 2022 and December 2023 in the name of Turboshaft, Treetops, or Black Metal.

Import data shows that between January 2, 2023 and December 29, 2023, Turboshaft was listed as the supplier on 136 imports of goods into Russia worth a claimed \$1.6 million. Moreover, Turboshaft received 89 exports from the United States, worth almost \$2.1 million since the implementation of enhanced licensing requirements imposed on exports to Russia on February 24, 2022. Throughout November and December 2023, Turboshaft attempted to

⁶ During an August 2023 meeting, Badr informed OEE personnel that he changed his business name from Black Metal FZE back to Turboshaft due to customer and bank familiarity with the Turboshaft name.

purchase two Air Data Inertial Reference Units, valued at nearly \$400,000 each, from a U.S. supplier. The most recent shipment occurred on May 8, 2024.

Import data shows that between January 2, 2023 and December 29, 2023, Treetops was listed as the supplier on 244 imports of goods into Russia worth a claimed \$4.46 million. Siberia Airlines, an entity subject to a TDO, received many of these shipments—which included items produced by U.S. aerospace manufacturers. Additionally, Treetops received 29 exports from the United States worth a claimed \$626,755 between September 12, 2023 and April 23, 2024. On April 26, 2024, U.S. Customs and Border Protection seized a shipment of aircraft parts meant for Treetops due to the submission of false Electronic Export Information (EEI) through the Automated Export System (AES). Lastly, Treetops is listed as the intermediate consignee of a September 2023 shipment of aircraft parts to Turboshaft.

Import data shows that between March and December 2022, Black Metal was listed as the supplier on 122 imports of goods into Russia. Moreover, Black Metal received 16 exports from the United States, worth almost \$461,000 since the implementation of enhanced licensing requirements imposed on exports to Russia on February 24, 2022. As indicated above, Badr toggles between operating as Black Metal or Turboshaft to facilitate his procurement efforts.

III. Findings

Under the applicable standard set forth in Section 766.24 of the Regulations and my review of the entire record, I find that the evidence presented by BIS convincingly demonstrates that the Respondents have acted in violation of the Regulations; that such violations have been significant and deliberate; and that given the foregoing and the nature of the matters under investigation, there is a likelihood of imminent violations. Therefore, the TDO is necessary in the public interest to prevent imminent violation of the Regulations and to give notice to

companies and individuals in the United States and abroad that they should avoid dealing with the Respondents, in connection with export and reexport transactions involving items subject to the Regulations and in connection with any other activity subject to the Regulations.

IV. Order

IT IS THEREFORE ORDERED:

FIRST, **Turboshaft FZE**, Q3-117 Saif Zone 9732, Sharjah, UAE; **Treetops Aviation**, Office #4801, Marina Pinnacle Tower, Dubai, UAE and #1575 New Agents Bldg, Cargo Village P.O. Box 62369, Dubai, UAE; **Black Metal FZE**, Q3-117 Saif Zone 9732, Sharjah, UAE; **Timur Badr**, Q3-117 Saif Zone 9732, Sharjah, UAE; and **Elaine Balingit**, Office #4802, Marina Pinnacle Tower, Dubai, UAE and Q3-117 Saif Zone 9732, Sharjah, UAE, 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.

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

A. Export, reexport, or transfer (in-country) to or on behalf of the Respondents 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 the Respondents 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 the Respondents 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 the Respondents 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 the Respondents 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 the Respondents, or service any item, of whatever origin, that is owned, possessed or controlled by the Respondents 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.

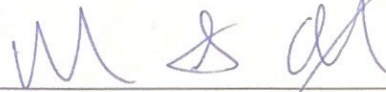
THIRD, that, after notice and opportunity for comment as provided in section 766.23 of the EAR, any other person, firm, corporation, or business organization related to Respondents by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business may also be made subject to the provisions of this Order.

In accordance with the provisions of Sections 766.24(e) of the EAR, the Respondents 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. A renewal request may be opposed by the Respondents as provided in Section 766.24(d), by filing a written submission with the Assistant Secretary of Commerce 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 provided to the Respondents and shall be published in the *Federal Register*.

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

A handwritten signature in blue ink, consisting of stylized initials 'M S A', positioned above a horizontal line.

Matthew S. Axelrod
Assistant Secretary of Commerce
for Export Enforcement

Dated: June 12, 2024.