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Congress of the United States
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Washington, DC 20515

April 11, 2018

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John E. Smith
Director
Office of Foreign Assets Control
United States Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Director Smith,

Kalashnikov USA is a firearms manufacturer and seller located in my congressional district. Recent media reports have raised questions as to whether Kalashnikov USA, or its parent company RWC Group LLC, may have violated federal sanctions law through illicit business relations with the Russian-owned Kalashnikov Concern JSC (“Kalashnikov Russia”).

According to a statement released by Kalashnikov USA, it relocated to South Florida in 2015. Reports indicate that Kalashnikov USA may have been offered tax incentives as part of Florida Governor Rick Scott’s push to lure weapons manufacturers to Florida. According to Kalashnikov USA’s own 2015 application for \$162,000 in tax incentives, which was approved by Governor Scott’s administration, the company planned to assemble its weapons with parts and components imported from Kalashnikov Russia’s factory located in Russia.

As you know, Kalashnikov Russia was sanctioned in 2014 as part of the U.S. response to Vladimir Putin’s illegal actions in Ukraine. Given reports of Russia’s attempts to illegally fund the National Rifle Association, connections between a US weapons manufacturer and a sanctioned Russian company are even more alarming.

Reports detail that in 2012, RWC Group LLC, which owns Kalashnikov USA, became the sole distributor of Kalashnikov Russian weapons in the United States with the intention to pump 200,000 assault weapons into the market each year.

These reports further indicate that Kalashnikov USA may have used shell companies to hide its

continued relationship with Kalashnikov Russia, a company partly owned by the Russian government. According to these public reports, executives of Kalashnikov USA share business interests with the CEO of Kalashnikov Russia. Of particular concern is the relationship between RWC Group manager and Kalashnikov USA Senior Vice President Michael Tiraturian and Kalashnikov Russia CEO and majority shareholder Alexey Krivoruchko. Mr. Krivoruchko, the CEO of a company sanctioned by the United States, has extensive and well-documented ties to the inner circle of Russian President Vladimir Putin.


If these reports are accurate and Kalashnikov USA is using Russian parts from a sanctioned Russian company to assemble weapons of war, and Kalashnikov Russia is using Florida shell companies to generate profits in Russia, then a determination must be made into whether any violations of sanctions occurred or continue to occur.

In particular, I request timely answers to the following questions:

- 1) Would the importation of parts and components from a designated entity, i.e. a sanctioned company, violate Executive Order 13362 imposing sanctions on Russia?
- 2) Has Kalashnikov USA imported parts and components for its products from Kalashnikov Russia?
- 3) Has the Office of Foreign Assets Control initiated an investigation into the nature of the business relationship between Kalashnikov USA and Kalashnikov Russia, including any connections between the executives, directors, and employees of Kalashnikov USA and its parent, RWC Group, LLC, and Kalashnikov Russia?

I appreciate your attention to this serious national security matter, and I look forward to a prompt response.

Sincerely,



Ted Deutch

MEMBER OF CONGRESS