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June 13, 2024

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**BUREAU OF INDUSTRY AND SECURITY**

Office of Congressional and Public Affairs

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## **BIS Imposes \$285,000 Penalty Against Sapphire Havacilik San Ltd. STI to Resolve Alleged Violations of Unlicensed Reexports to Russia**

**WASHINGTON, D.C.** – The Department of Commerce’s Bureau of Industry and Security (BIS) imposed a civil penalty of \$285,000 against Sapphire Havacilik San Ltd. STI (Sapphire), an aviation company headquartered in Ankara, Türkiye, to resolve violations of the Export Control Reform Act of 2018 (ECRA) alleged in BIS’s Proposed Charging Letter. As described in the Settlement Agreement and Proposed Charging Letter, in October 2023 and in January 2024, Sapphire flew private charter flights involving a U.S.-origin Gulfstream aircraft into Russia without a required BIS license.

“We will not permit Russian oligarchs—or any Russian national, for that matter—to charter luxury jets into Russia,” said **Assistant Secretary for Export Enforcement Matthew S. Axelrod**. “It doesn’t matter if a Russian national uses another passport, like from Cyprus as was the case here. Let this serve as a lesson to charter brokers and operators worldwide: if you facilitate such travel in violation of our regulations, you may pay a steep price.”

### **Case Background:**

As part of the BIS settlement, Sapphire admitted to the conduct set forth in a Proposed Charging Letter, which alleged that Sapphire had temporarily reexported to Russia a U.S.-origin Gulfstream aircraft without the required BIS license. Specifically, in October 2023 and again in January 2024, Sapphire flew the Gulfstream into Russia for private charter flights arranged by Russian nationals. Although the Russian national passengers provided payment to Sapphire through third-party non-Russian charter brokers, such flights into Russia—which were arranged for the benefit of the Russian national or nationals on board—were nevertheless controlled by or under charter or lease by a Russian national. As such, the relevant flights did not fall within

license exception Aircraft, Vessels, and Spacecraft (AVS) and violated Section 764.2(a) of the ECRA.

The U.S. Department of Commerce, through BIS, responded to the Russian Federation'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, including luxury goods. As part of those controls, effective February 24, 2022, BIS imposed expansive controls on aviation-related items to Russia, including a license requirement for the export, reexport, or transfer (in-country) to Russia of any aircraft or aircraft parts specified under any export control classification number.

Additionally, effective March 2, 2022, BIS excluded any aircraft registered in, owned by, controlled by, or under charter or lease by Russia or a national of Russia from being eligible for export or reexport to Russia pursuant to license exception AVS (Section 740.15 of the EAR). As a result, any U.S.-origin aircraft or foreign aircraft that includes more than 25% controlled U.S.-origin content, and that is registered in, owned by, controlled by, or under charter or lease by Russia or a national of Russia, is subject to a license requirement before it can be exported or reexported to Russia.

The Order, Settlement Agreement, and Proposed Charging Letter are available [here](#).

### **Additional Information:**

These BIS actions were taken under the authority of the Export Control Reform Act of 2018 and its implementing regulations, the Export Administration Regulations, as well as the Russia Sanctions Regime. The Office of Export Enforcement Los Angeles Field Office and the Federal Bureau of Investigation Los Angeles Field Office investigated the case.

Report suspected export control violations through the BIS online [tip portal](#). You can also call the Enforcement Hotline at 1-800-424-2980 or email [EELead@bis.doc.gov](mailto:EELead@bis.doc.gov).