



**U.S. DEPARTMENT OF THE TREASURY  
OFFICE OF FOREIGN ASSETS CONTROL**



**Enforcement Release: June 12, 2025**

**OFAC Imposes \$215,988,868 Penalty on GVA Capital Ltd. for Violating Ukraine/Russia-Related Sanctions and Reporting Obligations**

The Office of Foreign Assets Control (OFAC) has issued a Penalty Notice imposing a \$215,988,868 penalty on GVA Capital Ltd., a venture capital firm based in San Francisco, California, for violating OFAC's Ukraine-/Russia-related sanctions and for failing to comply with an OFAC subpoena. Between April 2018 and May 2021, GVA Capital knowingly managed an investment for sanctioned Russian oligarch Suleiman Kerimov while aware of his blocked status. In 2016, GVA Capital officials met with Kerimov at his estate in France to secure his personal approval for the investments. In April 2018, OFAC sanctioned Kerimov. GVA Capital nonetheless continued managing these investments by working through Kerimov's nephew, Nariman Gadzhiev, who GVA Capital knew served as Kerimov's proxy.

By issuing this Penalty Notice, OFAC is imposing on GVA Capital the statutory maximum civil monetary penalty. This Penalty Notice follows OFAC's 2022 issuance of a Notification of Blocked Property to Heritage Trust, a Delaware-based vehicle then-valued at over \$1 billion and in which Kerimov held an interest. This enforcement action underscores the importance of gatekeepers in preventing sanctions evasion and highlights the risks of facilitating such efforts.

**Description of the Violations**

**Ukraine/Russia Sanctions Violations**

In April 2021, OFAC learned of an upcoming transfer of shares in a U.S. company that was allegedly for the benefit of a blocked person. An investigation by OFAC revealed that these shares were ultimately owned by Heritage Trust, a trust formed in Delaware in July 2017 to hold and maintain the U.S. assets of Suleiman Kerimov, a Russian oligarch whom OFAC designated in 2018 for being an official of the Government of the Russian Federation. OFAC's investigation also revealed that Kerimov retained an interest in the trust, even after his designation on April 6, 2018. Accordingly, on June 23, 2022, [OFAC issued a Notification of Blocked Property directed at Heritage Trust](#), which at the time held approximately \$1.3 billion in assets. This action prevented the imminent liquidation and flight of the entirety of Heritage Trust's assets out of the United States.

OFAC also opened an investigation into GVA Capital, the venture capital firm managing the shares, to assess GVA Capital's relationship with Kerimov. OFAC determined that, in its dealings with Kerimov, GVA Capital violated U.S. sanctions against Russia. Moreover, in the course of OFAC's

investigation, GVA Capital further violated OFAC's regulations by failing to fully and timely respond to an OFAC subpoena.

During the course of its investigation, OFAC developed the below factual findings with respect to: (1) the way in which GVA Capital obtained funds from Kerimov for the purpose of investing in the United States; (2) the effect of OFAC's designation of Kerimov on the shares of the U.S. company as of April 6, 2018; and (3) GVA Capital's continued management of these shares after Kerimov's designation, and, consequently, GVA Capital's dealing in the blocked property of, and provision of services to, Kerimov related to these shares between 2018-2021.

#### *GVA Capital Solicited and Secured Kerimov Funds*

GVA Capital is an early-stage venture capital firm founded in 2016. GVA Capital's investment portfolio focuses on areas such as artificial intelligence, financial technology, robotics, and autonomous vehicle technology. GVA Capital is registered in the Cayman Islands and located in San Francisco, California.

GVA Capital learned of the opportunity to invest in the U.S. company in 2016. In the course of soliciting funds for that investment, GVA Capital approached Kerimov—with whom one of GVA Capital's founders maintained a personal relationship—to gauge Kerimov's interest in investing in the U.S. company.

On at least two separate occasions, GVA Capital's senior management traveled to meet Kerimov in person at his estate in France to discuss this investment opportunity. The first trip occurred around June 2016, when GVA Capital senior management and Kerimov had preliminary discussions regarding the investment and other opportunities, agreeing to follow up at a later date. Subsequently, around August 2016, GVA Capital senior management again traveled to Kerimov's estate in France, including via Kerimov's private aircraft, to discuss the opportunity in further detail. They met with Kerimov over the course of several days, showing him a series of the U.S. company's prototypes and explanatory materials to secure his investment. Kerimov agreed to invest in the U.S. company at or shortly after these meetings. After that point, GVA Capital was told to speak to Nariman Gadzhiev, Kerimov's nephew and primary financial facilitator,<sup>1</sup> in future conversations regarding effectuation of the investment.

#### *GVA Capital Communicated with Kerimov via Kerimov's Nephew*

GVA Capital and Gadzhiev communicated in August and September 2016 to implement Kerimov's decision to invest in the U.S. company. These communications included negotiations regarding the exact amount that Kerimov would invest. GVA Capital officials continued to understand throughout this period that Gadzhiev spoke for Kerimov in investment-related matters. In this capacity, Gadzhiev relayed guidance and requested information on behalf of "the Investor," which GVA Capital understood to be a reference to Kerimov. GVA Capital maintained this understanding of Gadzhiev's role in this process from 2016 until at least 2023—well after OFAC designated

---

<sup>1</sup> OFAC added Gadzhiev to the SDN List on November 14, 2022 for having acted or purported to act for or on behalf of Kerimov. See U.S. Department of the Treasury, "[Treasury Sanctions Global Russian Military Supply Chain, Kremlin-linked Networks, and Elites with Western Fortunes](#)" (November 14, 2022).

Kerimov in 2018. Indeed, in a 2023 federal court filing related to this investment, GVA Capital represented that Gadzhiev was “installed” by Kerimov in a directorial role to manage the investment in the U.S. company and repeatedly referenced direction regarding the investment coming from both Kerimov and Gadzhiev.

In September 2016, GVA Capital and Gadzhiev, acting on Kerimov’s behalf, ultimately agreed that Kerimov would invest \$20,000,000 in the U.S. company. Following that agreement, Prosperity Investments, L.P.—a Guernsey-based entity in which Kerimov retained an interest at all relevant times—entered into a subscription agreement with GVA Auto LLC, a Delaware-based special purpose vehicle established by GVA Capital to make, hold, and dispose of direct or indirect investments in the U.S. company. GVA Auto issued a capital call for \$20,000,000 to Prosperity on that same day, and Prosperity transferred this amount to GVA Auto’s account at a U.S. financial institution on September 13, 2016.

### *Kerimov’s Designation in 2018*

On April 6, 2018, OFAC sanctioned Kerimov for being an official of the Government of the Russian Federation and added him to the List of Specially Designated Nationals and Blocked Persons (“the SDN List”)<sup>2</sup>. As a result of this action, Kerimov’s property or interests in property in the United States or in the possession or control of any U.S. person became blocked, and could not be transferred, paid, exported, withdrawn, or otherwise dealt in without authorization from OFAC. Additionally, as a result of this action, all transactions by U.S. persons or within (or transiting) the United States that involve Kerimov’s property or interests in property are prohibited unless exempt or authorized by OFAC. These prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of Kerimov, and the receipt of any contribution or provision of funds, goods, or services from Kerimov. These prohibitions also include any attempt to violate the prohibitions set forth above.<sup>3</sup>

After OFAC added Kerimov to the SDN List, GVA Capital solicited a legal opinion regarding the applicability of U.S. sanctions to GVA Capital’s investments, including the investment in the U.S. company. The legal opinion, which was provided to GVA Capital on May 15, 2018, concluded incorrectly that Prosperity was not itself blocked property because it was not nominally owned 50 percent or more by a person on the SDN List.<sup>4</sup> Nonetheless, the legal opinion explicitly cautioned GVA Capital that any sale or transfer of the shares could not directly or indirectly involve Kerimov.

---

<sup>2</sup> OFAC subsequently redesignated Kerimov on September 30, 2022.

<sup>3</sup> 31 C.F.R. 589.213(a).

<sup>4</sup> OFAC notes that the conclusion drawn in this opinion regarding Prosperity’s status as blocked property is belied by evidence collected throughout OFAC’s investigation, which concluded that Kerimov does, in fact, retain a property interest in Prosperity through his property interest in Heritage Trust. See U.S. Department of the Treasury, “[Treasury Blocks over \\$1 Billion in Suleiman Kerimov Trust](#)” (June 30, 2022).

*GVA Capital's Post-Designation Services, Dealings, and Attempted Dealings in Blocked Property*

Despite receiving this legal guidance, GVA Capital on four occasions dealt or attempted to deal in the property or interests in property of, or provided a prohibited service to, Kerimov, via Kerimov's interest in Prosperity:

- (1) **2018 Assignment Agreement:** On December 19, 2018, GVA Capital and Prosperity entered into an “agreement of assignment and adherence” whereby Prosperity agreed to transfer its interest in GVA Auto, at the time valued at \$18,500,000, to Definition Services, Inc, a British Virgin Islands-based entity that owned Prosperity. GVA Capital signed this agreement in its capacity as general partner of GVA Auto. Because Definition and Prosperity were both owned by Heritage Trust, this transfer did not change the ultimate beneficial ownership of the investment.
- (2) **2019 Attempted Sale:** Around June 2019, GVA Capital attempted to sell Definition's interest in GVA Auto for \$20,000,000. GVA Capital maintained two separate lines of communication throughout the course of this attempted sale—one formal line of communication with Heritage Trust's U.S.-based fiduciary (“U.S. Person-1”), whose approval was required for any sale or distribution of Definition's assets, and one informal line of communication with Gadzhiev, who GVA Capital understood to be Kerimov's representative in investment-related matters. GVA Capital sent the terms of this proposed sale to Gadzhiev to solicit his (and, by extension, Kerimov's) feedback before making the official proposal to U.S. Person-1. GVA Capital also attempted to secure Gadzhiev's assistance in eliciting a decision from U.S. Person-1 throughout June 2019. U.S. Person-1 ultimately advised on June 20, 2019, that Definition would be “unable to proceed with this transaction at this time.”
- (3) **2020 Attempted Sale:** Around August 2020, GVA Capital made a new attempt to sell Definition's interest in three GVA Capital-managed investments—GVA Auto, as well as two other investments held by Definition—for \$50,000,000. As in the previous attempted sale, GVA Capital engaged with Gadzhiev in his capacity as Kerimov's representative, during and after communicating with a different U.S.-based fiduciary of Heritage Trust (“U.S. Person-2”). This attempt appears to have failed as well.
- (4) **2021 Attempted Distribution:** Around April and May 2021, GVA Capital attempted to distribute the shares of the U.S. company in kind, including to Definition and to GVA Capital itself. After going public, the U.S. company's shares were subject to a lock-up period that expired in June 2021. GVA Capital intended to distribute these shares immediately following the expiration of the lock-up period, which would have conferred an economic benefit to Kerimov of at least \$18,500,000 based on GVA Capital's planned distribution. GVA Capital officials had prepared to execute this distribution around February 2021 in anticipation of the lock-up period's expiration. These preparations included creating a “distribution waterfall” for interested parties and opening accounts with local banks to receive any cash or shares that GVA Capital received once the distribution occurred. This attempt was initially hindered by a still-unresolved dispute between GVA

Capital and Definition regarding the amount of proceeds to which each party was entitled.<sup>5</sup> While this dispute was ongoing, OFAC issued a Notification of Blocked property with respect to Heritage Trust on June 23, 2022.

After reviewing the facts and circumstances pertaining to this matter, OFAC determined that the 2018 Assignment Agreement constituted a prohibited dealing in blocked property under § 589.201(a)(3) of OFAC's Ukraine-/Russia-Related Sanctions Regulations, 31 C.F.R. part 589 ("the URSR"), as well as a prohibited provision of services under § 589.201(b)(1) of the URSR. OFAC further determined that the 2019 Attempted Sale, the 2020 Attempted Sale, and the 2021 Attempted Distribution constituted prohibited attempts to deal in the property or interest in property of Kerimov under § 589.213(a) of the URSR.

### Reporting, Procedures and Penalties Regulations (RPPR) Violations

As part of OFAC's investigation, on June 2, 2021, the agency issued an administrative subpoena pursuant to 31 C.F.R. § 501.602 to GVA Capital. GVA Capital provided an initial response on July 30, 2021, and certified on October 11, 2021, that it had completed its subpoena response. GVA Capital had produced in total approximately 173 documents at that time. GVA Capital made no mention of additional responsive materials for roughly two years.

As further described below, OFAC issued a Pre-Penalty Notice to GVA Capital on September 13, 2023. Shortly thereafter, GVA Capital informed OFAC that it possessed information "relevant to OFAC's inquiry" that had not yet been provided to OFAC. GVA Capital subsequently produced to OFAC approximately 1,300 records responsive to the subpoena beyond the original 173 documents produced in 2021. On February 23, 2024—over two years after GVA Capital first certified compliance—GVA Capital re-certified that it had completed its response to the subpoena.

GVA Capital's prolonged failure to produce responsive records led to 28 months of non-compliance with OFAC's subpoena, resulting in 28 violations of § 501.602 of the RPPR.

### **Penalty Calculations and General Factors Analysis**

On September 13, 2023, OFAC issued a Pre-Penalty Notice (PPN) to GVA Capital related to the Ukraine-/Russia-related sanctions violations. On August 22, 2024, OFAC issued a second PPN to GVA Capital related to the reporting violations. After considering GVA Capital's response to the two PPNs, OFAC issued a Penalty Notice to GVA Capital in accordance with the URSR, 31 C.F.R. § 589.703, and in accordance with § 5(V)(A)(3) of OFAC's Economic Sanctions Enforcement Guidelines ("Enforcement Guidelines"), 31 CFR part 501, app. A., finding violations and assessing a civil monetary penalty.

The statutory maximum civil monetary penalty applicable in this matter is \$215,988,868: \$214,000,000 with respect to GVA Capital's Ukraine-/Russia-related violations and \$1,988,868 with respect to GVA Capital's reporting violations (collectively, "the Violations"). OFAC

---

<sup>5</sup> Around this time, GVA Auto was valued at roughly \$436,000,000. Definition claims it is entitled to the full value of the investment. As such, OFAC notes that, although GVA Capital intended to remit \$18,500,000 to Definition, it may have been compelled through litigation to remit considerably more.

determined that GVA Capital did not voluntarily self-disclose the Violations and that the Violations constitute an egregious case.

Accordingly, under the Enforcement Guidelines, the base civil monetary penalty applicable in this matter equals the statutory maximum of \$215,988,868.

Pursuant to the Penalty Notice, OFAC imposed the statutory maximum penalty of \$215,988,868, based on OFAC's consideration of the General Factors under the Enforcement Guidelines.

OFAC determined the following to be **aggravating factors**:

- (1) GVA Capital willfully violated U.S. sanctions. GVA Capital's senior management had actual knowledge that the funds received from Prosperity and invested in GVA Auto ultimately came from Kerimov, and that Kerimov retained a property interest in that investment. GVA Capital's senior management traveled to Kerimov's estate in France on multiple occasions to secure his agreement to invest in the U.S. company. GVA Capital subsequently facilitated Kerimov's investment, through Prosperity, including by working through Gadzhiev, who GVA Capital knew represented Kerimov in dealings with U.S. persons. This communication channel continued well after OFAC sanctioned Kerimov in 2018, including during GVA Capital's attempts to sell or distribute Kerimov's interest in the shares of the U.S. company.

Moreover, GVA Capital received legal advice in May 2018 expressly cautioning that any future sale or transfer of Prosperity's assets that directly or indirectly involved Kerimov would violate OFAC's sanctions. Notwithstanding the receipt of that advice, GVA Capital attempted on multiple occasions to sell or distribute Prosperity's assets, working through Gadzhiev, who GVA Capital knew to be Kerimov's representative on investment-related matters. By doing so, GVA Capital knowingly indirectly involved Kerimov in the attempted sale or transfer of Prosperity's assets.

- (2) GVA Capital acted contrary to U.S. foreign policy interests by facilitating a sanctioned Russian national's access to, and use of, the U.S. financial system in precisely the way that his designation sought to prevent. GVA Capital's maintenance of the shares of the U.S. company allowed for a significant increase in the value of Kerimov's investment in a U.S. company, to an appreciation as high as \$436,280,510 in April 2021. Moreover, on at least three occasions, GVA Capital attempted to confer a significant and direct economic benefit to Kerimov by attempting to sell or distribute Prosperity's interest in the shares. By investing and attempting to provide access to substantial sums of money in which Kerimov retained a property interest, GVA Capital harmed the integrity of U.S. sanctions and undermined broader U.S. policy objectives.

OFAC determined the following to be **mitigating factors**:

- (1) GVA Capital has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the date of the transactions giving rise to the Violations. Nonetheless,

given the totality of the circumstances in this case, OFAC has determined that no reduction in penalty was warranted.

## **Compliance Considerations**

This enforcement action highlights the risks that arise when gatekeepers—such as investment professionals, accountants, attorneys, and providers of trust and corporate formation services, among others—fail to properly understand the risks associated with the provision of their services. Gatekeepers occupy crucial financial and legal positions that place them at particular risk of knowingly or unwittingly furnishing access by illicit actors to the licit financial system.<sup>6</sup> Given that they often occupy positions of trust, gatekeepers are also often better positioned than others to monitor for and identify ways in which a blocked person may retain an interest in property. Accordingly, gatekeepers should remain vigilant of the risk that unscrupulous actors, including sanctioned parties or their proxies, may seek to use professional services to conceal a property interest or otherwise evade OFAC sanctions.

This enforcement action also demonstrates the importance for non-bank financial institutions, including venture capital firms and investment advisers, of developing and maintaining effective, risk-based sanctions compliance controls. U.S. persons operating in these industries should have a clear understanding of their U.S. sanctions compliance obligations, as well as the risks posed by dealing with counterparties who are themselves sanctioned or who reside in sanctioned jurisdictions. Additionally, participants in these industries should understand the sanctions risks present where—as was the case here—an existing investor becomes sanctioned. Failing to properly block and report assets subject to sanctions, and continuing to transact or deal in those assets, can result in significant monetary penalties for U.S. persons.

Relatedly, this enforcement action also demonstrates the risk that U.S. persons face when relying on formalistic ownership arrangements that obscure the true parties in interest behind an entity or investment, without sufficiently considering factors such as control or influence over that investment. Here, GVA Capital knew that Kerimov retained a property interest in the shares of the U.S. company, as evidenced, among other things, by GVA Capital senior management’s personal dealings with Kerimov and Gadzhiev before and after Kerimov was designated. U.S. persons with such knowledge cannot claim ignorance even if the nominal owner of that property is someone other than the sanctioned individual.

Additionally, this enforcement action demonstrates the importance of fully and timely complying with administrative subpoenas issued by OFAC. U.S. persons who fail to do so risk exposure to significant monetary penalties, regardless of whether any other violation is alleged.

## **OFAC Enforcement and Compliance Resources**

On May 2, 2019, OFAC published [A Framework for OFAC Compliance Commitments](#) in order to provide organizations subject to U.S. jurisdiction, as well as foreign entities that conduct business in or with the United States or U.S. persons, or that use goods or services exported from the United States, with OFAC’s perspective on the essential components of a sanctions compliance program.

---

<sup>6</sup> See Department of the Treasury, “[2024 National Money Laundering Risk Assessment](#)” (February 2024), p. 80.

The *Framework* also outlines how OFAC may incorporate these components into its evaluation of violations and resolution of investigations resulting in settlements. The *Framework* includes an appendix that offers a brief analysis of some of the root causes of violations of U.S. economic and trade sanctions programs OFAC has identified during its investigative process.

Information concerning the civil penalties process can be found in the OFAC regulations governing each sanctions program; the Reporting, Procedures, and Penalties Regulations, 31 CFR part 501; and the Economic Sanctions Enforcement Guidelines, 31 CFR part 501, app. A. These references, as well as recent civil penalties and enforcement information, can be found on OFAC's website at <https://ofac.treasury.gov/civil-penalties-and-enforcement-information>.

### **Sanctions Whistleblower Program**

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) maintains a whistleblower incentive program for violations of OFAC-administered sanctions, in addition to violations of the Bank Secrecy Act. Individuals located in the United States or abroad who provide information may be eligible for awards, if the information they provide leads to a successful enforcement action that results in monetary penalties exceeding \$1,000,000. FinCEN is currently accepting whistleblower tips.

For more information regarding OFAC regulations, please visit: <https://ofac.treasury.gov>.