

OFAC Enforcement Case Summary
OFAC Imposes Largest-Ever Penalty on Nonbank Financial Institution for Egregious and Sustained Sanctions Violations – a Warning to U.S. Fund Managers: Be Sure You Know Your Investors

On June 12, 2025, the U.S. Department of the Treasury's Office of Foreign Assets Control (**OFAC**) assessed a \$215,988,868 civil monetary penalty (the statutory maximum civil monetary penalty) against GVA Capital Ltd., a San Francisco, California-based venture capital firm, for violations of OFAC's sanctions against Russia and for related reporting obligations.

Between April 2018 and May 2021, GVA Capital knowingly managed an investment for sanctioned Russian oligarch Suleiman Kerimov while aware of his blocked status. GVA Capital also failed to comply with an OFAC subpoena during OFAC's investigation into this matter.

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. According to OFAC, in 2017, Kerimov – a member of the Russian Federation Council – allegedly laundered hundreds of millions of euros through the purchase of villas in France, including by “transporting as much as 20 million euros at a time in suitcases,” without reporting the money to French tax authorities and ultimately “failing to pay 400 million euros in taxes related to villas.”

In June 2022, following an extensive enforcement investigation, OFAC issued a Notification of Blocked Property to Kerimov-related Heritage Trust, a Delaware-based entity, which OFAC's investigation revealed was created specifically to hold and maintain the U.S. assets of Kerimov; and that Kerimov retained an interest in the trust, even after his designation in 2018. As of June 30, 2022, the trust held assets valued at over \$1 billion. OFAC's investigation revealed that “Kerimov used a network of relatives, advisers, and opaque legal entities to invest in the United States and utilized a complex series of legal structures and front persons to obscure his interest in Heritage Trust.”

The penalty amount reflects OFAC's determination that GVA Capital knowingly violated U.S. sanctions against Russia, as well as OFAC's Reporting, Procedures and Penalties Regulations conduct, and that the entity's conduct was egregious and not voluntarily self-disclosed.

This enforcement action highlights the Treasury Department's increasing focus on venture firms and registered investment advisers, which will also be subject to full anti-money laundering (**AML**) controls under the Bank Secrecy Act (**BSA**) as of January 1, 2026.

See Summary - <https://ofac.treasury.gov/recent-actions/20250612>