



Office of Public Affairs
U.S. Department of Justice

PRESS RELEASE

Two Russia-Born U.S. Citizens Arrested for Conspiring to Send \$500,000 Worth of Luxury Goods to Russia

Wednesday, June 12, 2024

For Immediate Release

Office of Public Affairs

United States Will Seek to Forfeit Assets of Criminal Scheme for Transfer to Ukraine

An indictment was returned yesterday in the District of Alaska charging Sergey Nefedov, 40, of Anchorage, Alaska, and Mark Shumovich, 35, of Bellevue, Washington, with allegedly operating a scheme to illegally export nearly half a million dollars' worth of snowmachines and associated parts from the United States to Russia without the required licenses and approvals, in violation of U.S. export laws. Nefedov and Shumovich were arrested yesterday in Alaska and Washington, respectively.

"As alleged in the indictment, the defendants engaged in a scheme to evade export restrictions by smuggling hundreds of thousands of dollars' worth of snowmachines and associated parts to Russia," said Assistant Attorney General Matthew G. Olsen of the Justice Department's National Security Division. "This matter is the latest example of our commitment to hold accountable those who violate sanctions laws and our determination to impose costs on the Russian government for its unjustified invasion of Ukraine."

"Violations of export laws carry significant consequences for perpetrators in the U.S. and abroad," said U.S. Attorney S. Lane Tucker for the District of Alaska. "Our office will continue

to work with the FBI, Homeland Security Investigations and the Department of Commerce to prosecute this case to the fullest extent of the law and ensure U.S. export restrictions are enforced.”

“Covertly selling snowmobiles to Russia violates our export laws, regardless of whether the sales are direct or laundered through Hong Kong,” said Assistant Secretary for Export Enforcement Matthew S. Axelrod of the Department of Commerce. “Today’s arrests are just the latest example of our aggressive efforts to enforce the export restrictions imposed on Russia following its brutal full-scale invasion of Ukraine.”

“These arrests serve as an example of the FBI’s determination to stop those individuals who allegedly export U.S. goods to foreign adversaries in violation of U.S. law,” said Executive Assistant Director Larissa L. Knapp of the FBI’s National Security Branch. “Any attempt to circumvent U.S. laws, sanctions and regulations will not be tolerated, and the FBI will continue to work with our partners to counter any efforts to illegally ship U.S. goods to sanctioned nations.”

“The charges laid out in the indictment are serious offenses,” said Special Agent in Charge Rebecca Day of the FBI Anchorage Field Office. “The FBI will continue to work with our law enforcement partners to investigate those who subvert export laws to smuggle goods out of the United States.”

“This seizure of snowmachines and the coordinated investigation led to the disruption and identification of a transnational criminal network attempting to circumvent Russian sanctions,” said Special Agent in Charge Robert Hammer of Homeland Security Investigations (HSI)’s operations in the Pacific Northwest. “Using our unique customs authorities, HSI works with its law enforcement partners, including U.S. Customs and Border Protection, to identify, search and seize merchandise being exported contrary to law, and prosecute those responsible.”

As alleged in the indictment, between at least March 2022 and May 2023, Nefedov and Shumovich conspired with individuals doing business in Russia and Hong Kong to evade the U.S. export restrictions that were imposed on luxury goods to Russia pursuant to Executive Order 14068 following Russia’s full-scale, unlawful invasion of Ukraine on Feb. 24, 2022, by shipping snowmachines and associated parts to Russia through an intermediary company in Hong Kong.

In furtherance of the conspiracy, a Russian national who owned a company selling snowmachines in Russia (Co-Conspirator 1, or CC-1) allegedly contracted with a Russian national doing business in Hong Kong (Co-Conspirator 2, or CC-2) for shipment of nearly \$1 million worth of goods from Hong Kong to Russia. Separately, CC-1 allegedly created invoices for CC-2’s company to purchase snowmachines and other motorsport vehicles from Nefedov’s company, Absolut Auto Sales LLC. As alleged, CC-1 told a freight forwarder that he needed goods to “transit in a third country” from the United States because deliveries of equipment to Russia “have been stopped.”

According to the indictment, Nefedov and Shumovich then received quotes from U.S.-based snowmachine distributors and freight forwarders to purchase and ship snowmachines. As alleged, Nefedov forwarded those quotes to CC-1, who approved of quotes and instructed Nefedov on additional questions to pose to the U.S. distributors and freight forwarders. To fund the purchase of snowmachines, CC-1's company allegedly wired funds to CC-2's company in Hong Kong, which wired funds to Nefedov's company, Absolut Auto Sales LLC. Nefedov used those funds to purchase snowmachines in the United States with the aid of Shumovich. According to the indictment, Nefedov and Shumovich told freight forwarders that the snowmachines would be going to Hong Kong, where they knew that a license was not required for export, thereby causing a freight forwarder to provide false information to U.S. authorities by concealing the end user and destination of the snowmachines.

Authorities seized all snowmachines related to this case. Nefedov and Shumovich are charged the following offenses, which carry associated maximum penalties as follows: conspiracy to unlawfully export goods from the United States and defraud the United States (five years in prison); false electronic export information activities (five years in prison); smuggling (10 years in prison); unlawful export without a license in violation of the Export Control Reform Act (20 years in prison); and conspiracy to commit international money laundering (20 years in prison). Nefedov is also charged with money laundering and making a false statement in violation of the Export Control Reform Act, which both carry maximum penalties of 20 years in prison. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

The FBI, HSI and Department of Commerce's Bureau of Industry and Security Office of Export Enforcement are investigating the case.

Trial Attorney Leslie Esbrook of the National Security Division's Counterintelligence and Export Control Section and Assistant U.S. Attorney Adam Alexander for the District of Alaska are prosecuting the case.

This case was coordinated through the Justice Department's Task Force KleptoCapture, an interagency law enforcement task force dedicated to enforcing the sweeping sanctions, export controls and economic countermeasures that the United States, along with its foreign allies and partners, has imposed in response to Russia's unprovoked military invasion of Ukraine. Announced by the Attorney General on March 2, 2022, and under the leadership of the Office of the Deputy Attorney General, the task force will continue to leverage all of the department's tools and authorities to combat efforts to evade or undermine the collective actions taken by the U.S. government in response to Russian military aggression.

An indictment is merely an allegation. All defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

[View the indictment here](#)

Updated June 12, 2024

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Press Release Number: 24-741

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June 12, 2024

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Dual U.S.-Russian Citizen Pleads Guilty to Sending Weapon Components to Russia

A dual U.S.-Russian citizen pleaded guilty today to conspiracy to violate the Export Control Reform Act by exporting firearm parts, components, and ammunition to Russia without the required authorization.

June 7, 2024



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