Burnin’, Briefly

Hot takes from Mr. Sanctions

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Should OFAC be TARred and Feathered?

April 24, 2026 · OFAC (US) · Reporting & Other Filings

OFAC runs some of the most consequential financial sanctions programs in the world. But there’s a quiet accountability gap that deserves more attention: OFAC has apparently stopped publishing its own signature transparency report, and almost nobody seems to have noticed.

What Is the Terrorist Assets Report?

Every year since 1993, OFAC has been legally required to submit the Terrorist Assets Report (TAR) to Congress. The report breaks down frozen and blocked assets by sanctions program — covering everything from state sponsors of terrorism like Iran and Syria, to designated terrorist organizations like Hamas and al-Qaeda. It’s the closest thing to a public accounting of how much money is actually sitting frozen in U.S. financial institutions under each OFAC program.

The mandate comes from Section 304 of Public Law 102-138, which directs the Secretary of the Treasury to provide an annual report on “the nature and extent of assets held in the United States by terrorism-supporting countries and organizations engaged in international terrorism.”

The Last One Was Published in 2021 — Covering 2020 Data

The most recent TAR on OFAC’s website is the 2020 edition, quietly released on September 8, 2021. It reported that approximately $63 million in assets relating to Specially Designated Global Terrorists (SDGTs) and Foreign Terrorist Organizations (FTOs) were blocked as of December 31, 2020.

That's it. No 2021 report. No 2022. No 2023. No 2024. As of April 2026, there's a roughly four-and-a-half year gap in this congressionally mandated publication — with no public explanation from Treasury.

The Annual Report of Blocked Property Is Not a Substitute

It's worth distinguishing the TAR from the Annual Report of Blocked Property (ARBP), a separate mechanism under 31 C.F.R. § 501.603. Financial institutions are required to file the ARBP with OFAC each year by September 30, covering assets held as of June 30. OFAC issued a reminder about this requirement as recently as September 2025.

But the ARBP is an internal compliance filing — that data is never published. The TAR was the public-facing output that turned those filings into a meaningful, program-by-program accounting for Congress and the public. Without it, there's no way to know the aggregate scale of assets frozen under each program.

Why Does This Matter?

Sanctions are one of the most powerful tools in the U.S. foreign policy arsenal. The question of whether they're actually working — whether assets are being frozen in meaningful quantities, whether programs are achieving their stated goals — ought to be answerable. The TAR existed precisely to enable that kind of oversight.

The lapse is especially striking given how much the sanctions landscape has shifted since 2020. Russia's invasion of Ukraine in 2022 prompted one of the most sweeping sanctions expansions in U.S. history. The Biden administration added thousands of new designations. The Trump administration has added more still, including the landmark designation of major drug cartels as Foreign Terrorist Organizations in 2025. All of that activity has happened in a period when OFAC has published zero program-level data on frozen asset totals.

> *Congress passed a law requiring this report. Treasury has apparently stopped producing it. Someone should ask why.*

> *Mr. S note: Yeah, I asked Claude about the statistical reports OFAC used to publish – it had seemed a while since we saw one. Guess I was right.*

ARTICLE 02 · RUSSIA · OIL PRICE CAP · POLICY ANALYSIS

The Divergence of US, UK and EU Russia Sanctions

April 17, 2026 · Russia · Oil Price Cap · Policy Analysis

The West’s Russia sanctions architecture — once a model of multilateral coordination — has begun to fracture. Here’s a practitioner’s breakdown of how the US, UK, and EU regimes diverged, why it happened, and what it means going forward.

I. Historical Baseline: 2014–February 2022

Russia sanctions did not begin with the 2022 full-scale invasion. The initial architecture was established much earlier — E.O. 14024, signed in April 2021, served as the core US authority. Before 2022, sanctions from all three regimes were primarily targeted at individuals and entities connected to the 2014 annexation of Crimea. While substantively aligned in purpose, the mechanisms differed: the EU operated through Council Regulations requiring consensus among 27 member states; the UK (post-Brexit) operated through its own autonomous regime; and the US used OFAC’s SDN List through executive orders. Broadly coordinated, but structurally independent from the start.

II. The Biden Era: February 2022–January 2025

The Initial Shock Wave (Feb–Dec 2022)

The full-scale invasion triggered the most rapid and sweeping multilateral sanctions program ever imposed on a major economy. Within days, the US, UK, and EU froze Russia’s central bank assets (approximately $300 billion held in Western jurisdictions), sanctioned major Russian banks, and coordinated to remove key Russian banks from SWIFT.

The most innovative coordinated tool was the G7+ oil price cap. The EU confirmed the $60/barrel cap and joined the US and other G7 countries from December 5, 2022 — designed not to cut Russian oil from markets entirely but to cap the revenue Russia received per barrel by conditioning access to Western shipping and insurance services on price compliance.

Deepening Coordination, 2023–2024

Throughout 2023 and 2024, the three regimes continued to tighten in coordinated packages. The US focused on striking at Russia’s remaining avenues for international materials, including third-country support — OFAC designated 529 persons across 55 third-party countries in its February 2024 package. President Biden also issued E.O. 14114, authorizing secondary sanctions on foreign financial institutions facilitating significant transactions involving Russia’s military-industrial base, extending US reach extraterritorially and pressuring third-country banks in Turkey, UAE, and elsewhere.

The EU moved through successive numbered packages — reaching its 15th and then 16th by early 2025. The UK was the first to sanction Putin personally, and disclosed that roughly £28.7 billion in Russia-linked assets were frozen by mid-2025.

III. The Transition and Divergence: January 2025 Onward

The inauguration of Donald Trump on January 20, 2025 marked the beginning of a significant divergence. On February 24, 2025 — for the first time — the EU and UK released new sanctions packages to mark the invasion’s anniversary. The United States did not, electing instead to issue a limited set of Iran-related sanctions that day.

In the first nine months of office, the Trump administration did not join the UK, the EU and other allies in imposing any new sanctions on Russia, nor did it add any new individuals or entities to its Russia sanctions list. The political logic was a fundamental reframing: sanctions as a negotiating lever in a peace process, rather than as punishment for ongoing violations of international law.

The Oil Price Cap Fracture

In July 2025, the US did not support the lowering of the Oil Price Cap. The UK and EU went ahead and lowered the cap without US participation — creating a formal split in the Price Cap Coalition for the first time. In October 2025, the US did impose direct sanctions on Russia for the first time under Trump, targeting Rosneft and Lukoil directly — coinciding with the cancellation of further face-to-face talks with President Putin.

IV. Why Did Divergence Occur?

1. A Fundamental Reorientation of US Foreign Policy

The Trump administration reframed the war: sanctions are no longer an expression of solidarity with Ukraine but a card to be played in a negotiation with Moscow. Having deemed Ukraine NATO membership and a return to pre-2014 borders “unrealistic,” the US began holding bilateral talks with Russia.

2. US Domestic Energy Politics

The “drill, baby, drill” posture and sensitivity to global oil prices created structural incentives against lowering the oil price cap. A lower cap risks reduced Russian supply and higher prices — politically costly.

3. European Strategic Autonomy and Threat Perception

The UK and EU, geographically proximate to Russia, have much stronger incentives to maintain and deepen sanctions. In May 2025, the European Commission presented a roadmap for a total end to EU dependence on Russian energy by 2027 — arguably the deepest structural decoupling from Russia ever proposed.

4. The Logic of Secondary Sanctions

Trump appeared to favour secondary sanctions against countries purchasing Russian oil — but their selective application (India but not China) reflects geopolitical considerations quite different from Biden-era multilateral coalition building.

V. Source Confidence Assessment

Claim	Confidence	Notes
Feb 24, 2025: EU/UK new packages; US did not	High	Confirmed by multiple legal sources (Crowell & Moring, McDermott, Akin Gump)
US imposed no new Russia designations Jan–Sep 2025	High	Confirmed by UK House of Commons Library and Skadden analysis

Oct 2025: US sanctioned Rosneft/Lukoil	High	Confirmed by Skadden and UK Parliament library
July 2025: EU/UK lowered oil price cap; US did not	High	Confirmed by UK Parliament library citing Reuters
£28.7bn frozen UK assets figure	Moderate	Cited in aggregation source; not independently verified against primary OFSI data
Hungary blocking EU packages causing delays	Not sourced	Well-known background fact from general reporting; not in primary legal sources reviewed

VI. Looking Forward

Even if the United States meaningfully eases sanctions targeting Russia, the impact of EU/UK sanctions may continue to restrict business opportunities for global businesses required to comply with EU/UK sanctions — for example because the transaction is handled by an EU/UK entity, involves EU/UK persons, or payments are processed by EU/UK banks. The EU and UK sanctions regimes may themselves diverge depending on how much flexibility the UK decides to maintain between the EU and US powers in the event of a wider policy divergence on Russia.

ARTICLE 03 · NICARAGUA · GENERAL LICENSES · OFAC

Why Did EMSA Get a Wind-Down General License?

April 16, 2026 · Nicaragua · General Licenses · Wind-Down Licenses · OFAC (US)

On April 16, 2026, OFAC designated Exportadora de Metales Sociedad Anonima (EMSA) as part of a large coordinated action targeting Nicaragua's gold sector. EMSA was the only one of seven designated companies to receive a wind-down General License. Here's why.

What Is EMSA?

Exportadora de Metales Sociedad Anonima (EMSA) is a Managua-based precious metals company that collects unrefined gold from six locations across Nicaragua, smelts it at its Managua headquarters, and sells it in bulk in the United States, with proceeds electronically transferred to a Nicaraguan bank account. Treasury describes it as "one of multiple enterprises organized by the Nicaraguan government to generate revenues for government use." Those proceeds have "possibly been used to equip, train, and pay the salaries of Nicaraguan paramilitary groups subordinate to the Nicaraguan government."

Investigative reporting (Expediente Público) identifies EMSA's owner as Edward Irías Pastora, nephew of Sandinista official Edén Pastora, linked to paramilitary organization during the 2018 social protests.

The April 16, 2026 Action

EMSA's designation was part of a large, coordinated action targeting five individuals and seven companies. The broader sweep included two sons of Ortega and Murillo, the Vice Minister of Energy and Mines, companies that stepped into the shoes of previously sanctioned entities, and several Chinese-linked firms (Thomas Metal, Xinxin, Brother Metal) granted large concessions by the regime. Xinxin is specifically noted as having shipped over $25 million in gold to the United States in early-to-mid 2025.

Companies involved in the forcible seizure of a U.S.-owned facility were also designated — Secretary Bessent's statement leads with this: "The United States will not allow the illicit confiscation of American-owned assets."

Why EMSA Got a Wind-Down GL When the Other Six Did Not

GL 5 authorizes wind-down transactions involving EMSA through May 16, 2026 — a 30-day window. None of the other six companies designated in the same action received one.

The answer is in the press release itself. EMSA is specifically described as selling gold "in bulk in the United States" — it had active, ongoing commercial relationships with U.S. buyers at the moment of designation, with electronic transfers presumably clearing through U.S. financial institutions. Immediately blocking EMSA without any safe harbor would have instantly put U.S. counterparties — refiners, traders, banks processing open transactions — in violation of OFAC regulations for deals already in the pipeline through no fault of their own.

The other designated companies do not carry the same characterization. Xinxin’s U.S. shipments are described in the past tense; the others are not described as having direct, current bulk U.S. sales relationships. The GL follows the pattern established in this same sanctions program: when ENIMINAS was designated in June 2022, OFAC issued GL 3; when the General Directorate of Mines was designated in October 2022, OFAC issued GL 4. In each case, the wind-down license accompanied entities with live U.S. commercial exposure.

Nicaragua’s Gold Sector and the Regime’s Use of It

At the country level, the United States has been Nicaragua’s dominant gold export destination — in 2021, Nicaraguan gold exports to the U.S. reached $1.534 billion, representing the vast majority of total gold exports that year. By 2025, the U.S. remained Nicaragua’s largest overall export destination at 38% of total merchandise exports.

Treasury has been systematically targeting this revenue stream since 2022, and the regime has consistently adapted — restructuring around new entities after each designation wave. The press release describes the mining sector since 2020 as “a complex network of front companies and frontmen designed to generate foreign currency, launder sanctioned assets, and reinforce political control.”

Source Check

Element	Support Level
EMSA operational description (bulk U.S. gold sales, six collection locations)	Directly sourced — OFAC press release
EMSA characterization as regime revenue instrument	Directly sourced — OFAC press release
Paramilitary financing allegation	Directly sourced (with Treasury’s own “possibly” hedge)
EMSA ownership by Edward Irías Pastora	Sourced — Expediente Público investigative reporting
U.S. dominance as Nicaragua gold export destination	Sourced — Confidencial Digital, BLP Legal
Why EMSA specifically received the wind-down GL	Inference — logical and consistent with OFAC practice, but OFAC does not publish a written explanation

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