

# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS  
WASHINGTON, DC 20510-6250

DAVID M. WEINBERG, STAFF DIRECTOR  
WILLIAM E. HENDERSON III, MINORITY STAFF DIRECTOR  
LAURA W. KILBRIDE, CHIEF CLERK

February 27, 2024

## VIA ELECTRONIC MAIL

The Honorable Gina Raimondo  
Secretary  
U.S. Department of Commerce  
1401 Constitution Ave NW  
Washington, DC 20230

Dear Secretary Raimondo:

On February 24, 2022, the Russian Federation (“Russia”) launched an unprovoked and brutal war on the sovereign nation of Ukraine. This was an attack not just on peaceful cities across Ukraine, but on the right of sovereign peoples everywhere to determine their own future. In the last two years, I have made five visits to Ukraine and have been inspired by the determination of President Volodymyr Zelenskyy and the Ukrainian people to continue to fight. Ukraine fights for not just its future, but the future of free peoples everywhere, and the United States must do everything it can to support the Ukrainian people in that struggle.

As part of our support to the Ukrainian people, the United States has implemented a host of sanctions and export controls meant to impede the Russian war effort, including many additional new controls released just last week.<sup>1</sup> These have included numerous financial sanctions, as well as escalating exports controls on military and dual-use goods to Russia.<sup>2</sup> Semiconductors have

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<sup>1</sup> See, e.g., U.S. DEP’T OF COM., *Press Release, Commerce Implements Sweeping Restrictions on Exports to Russia in Response to Further Invasion of Ukraine* (Feb. 24, 2022), <https://www.commerce.gov/news/press-releases/2022/02/commerce-implements-sweeping-restrictions-exports-russia-response>; U.S. DEP’T OF THE TREASURY, *Ukraine-/Russia-related Sanctions*, <https://ofac.treasury.gov/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>; U.S. DEP’T OF COM. BUREAU OF INDUS. AND SEC., *Press Release, Commerce Stands Strong with Ukraine, Takes Further Action Against Ongoing Russian Aggression* (Feb. 23, 2024), <https://www.bis.doc.gov/index.php/documents/about-bis/newsroom/press-releases/3452-2024-02-23-bis-press-release-russia-two-year-actions/file>.

<sup>2</sup> See, e.g., U.S. DEP’T OF THE TREASURY, *Ukraine-/Russia-related Sanctions*, <https://ofac.treasury.gov/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>. U.S. DEP’T OF COM., *Press Release, U.S. Department of Commerce & Bureau of Industry and Security Russia and Belarus Fact Sheet* (Feb. 22, 2022), <https://www.commerce.gov/news/fact-sheets/2022/02/us-department-commerce-bureau-industry-and-security-russia-and-belarus#:~:text=To%20restrict%20Russia%20and%20Belarus,certain%20plants%20or%20major%20components>.

been one particular focus of these efforts given the preeminent role of U.S. companies in their production and the use of U.S. technology in Russian weaponry and military support technology.<sup>3</sup>

Reporting by news media, think tanks, and academia over the last two years has revealed that despite these efforts Russia has managed to circumvent semiconductor sanctions, continuing to receive and use technology made by American companies in its war effort.<sup>4</sup> Much of this reporting has focused on Russia's ability to acquire technology through third-party countries not subject to the same U.S. sanctions.<sup>5</sup> This reporting has focused on total semiconductor exports from the United States to certain countries, including Armenia, Belarus, China, Finland, Georgia, Hong Kong, Kazakhstan, Kyrgyzstan, Turkey, and Uzbekistan.<sup>6</sup>

The Permanent Subcommittee on Investigations ("the Subcommittee"), which I chair, is reviewing matters relating to sanctions and export controls against Russia. As part of this inquiry, the Subcommittee has obtained information regarding sanctions and export control compliance from four of the largest producers of semiconductors in the United States: Advanced Micro Devices Inc. ("AMD"), Analog Devices Inc. ("Analog Devices"), Intel Corporation ("Intel"), and Texas Instruments Inc. ("Texas Instruments"). The Subcommittee continues to receive and review information from each of these companies as part of its ongoing inquiry.

Based on media reports regarding Russian efforts to acquire U.S. semiconductor technology through entities located in third-party countries, the Subcommittee has obtained full year data from 2021 and 2022 regarding each company's exports to Armenia, Finland, Georgia, Kazakhstan, and Turkey, among other countries. As noted above, other than Russia these are some of the countries that have been identified as having significant increases in semiconductor imports

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<sup>3</sup> See, e.g., U.S. DEP'T OF COM. BUREAU OF INDUS. AND SEC., *Common High Priority Items List*, <https://www.bis.doc.gov/index.php/2011-09-14-14-10-06/russia-export-controls>; U.S. DEP'T OF COM. BUREAU OF INDUS. AND SEC., *Press Release, Commerce Adds 42 Entities to the Entity List for Supporting Russia's Military, Including Co-Production of Drones with Iran* (Dec. 6, 2023), <https://www.bis.doc.gov/index.php/documents/about-bis/newsroom/press-releases/3390-press-release-12-5-entity-list-package-hans-de-geetere/file>.

<sup>4</sup> See, e.g., KSE INSTITUTE, *Challenges of Export Controls Enforcement: How Russia Continues to Import Components for its Military Production* (Jan. 2024), <https://kse.ua/wp-content/uploads/2024/01/Challenges-of-Export-Controls-Enforcement.pdf>; KSE INSTITUTE, *Russia's Military Capacity and the Role of Imported Components* (June 2023), <https://kse.ua/wp-content/uploads/2023/06/Russian-import-of-critical-components.pdf>; ROYAL UNITED SERVICES INSTITUTE, *Silicon Lifeline: Western Electronics at the Heart of Russia's War Machine* (Aug. 8, 2022), <https://rusi.org/explore-our-research/publications/special-resources/silicon-lifeline-western-electronics-heart-russias-war-machine>; Taplin, N., *How Russia Supplies Its War Machine*, WALL STREET JOURNAL (Mar. 10, 2023), <https://www.wsj.com/articles/russia-ukraine-tech-chips-exports-china-f28b60ca>; Kantchev, G., Hannon, P., & Norman, L., *How Sanctioned Western Goods Are Still Flowing Into Russia*, WALL STREET JOURNAL (May 14, 2023), <https://www.wsj.com/articles/how-sanctioned-western-goods-are-still-flowing-into-russia-916db262>; Drozdziak, N., *EU Backs More Sanctions on Belarus Over Aiding Russia's War*, BLOOMBERG (Aug. 3, 2023), <https://www.bloomberg.com/news/articles/2023-08-03/eu-backs-more-sanctions-on-belarus-over-aiding-russia-s-war#xj4y7vzkg>; Gupta, G., *U.S. Aims New Sanctions at Russian Military Supply Chains*, N.Y. TIMES (Sept. 14, 2023), <https://www.nytimes.com/2023/09/14/world/europe/us-sanctions-russia.html>.

<sup>5</sup> *Supra*, note 4.

<sup>6</sup> *Supra*, note 4.

from the United States based on media reporting looking across the industry.<sup>7</sup>

The Subcommittee writes to provide you with some troubling data it has received in the course of its ongoing inquiry. Attached to this letter is an appendix to a memorandum that the Subcommittee's majority staff provided to the members of the Subcommittee concerning the total semiconductor exports from these four companies to Armenia, Georgia, Kazakhstan, Finland, and Turkey. The aggregate data presented here demonstrates significant increases in exports to all of these countries, with some of the increases being greater by orders of magnitude.

In light of these preliminary findings, I write to ask the Department of Commerce's Bureau of Industry and Security ("BIS") for further information. To assist the Subcommittee in better understanding sanctions and export controls against Russian, please provide the following by March 22, 2024:

1. A detailed list of enforcement actions taken by BIS regarding violations of Russian export controls from January 2022 to the present;
2. Records<sup>8</sup> regarding any complaints BIS has received regarding entities located in Armenia, Belarus, China, Finland, Georgia, Hong Kong, Kazakhstan, Kyrgyzstan, Russia, Turkey, and/or Uzbekistan from January 2022 to the present;
3. Records regarding the presence of semiconductors manufactured by companies incorporated in the United States in Russian military systems, including but not limited to:
  - a. Complaints concerning potential violations of export controls concerning the export of semiconductors to Russia; and
  - b. Requests for trace reports regarding components found in Russian military systems manufactured by companies incorporated in the United States; and
4. Records regarding any guidance BIS has provided semiconductor manufacturers concerning Russian efforts to circumvent export controls through the use of entities in third countries, including specifically any additional diligence the Department of Commerce has recommended regarding countries located in the Commonwealth of Independent States.

I also request that on or before March 22, 2024 you provide Subcommittee staff with a briefing concerning the information sharing agreement between BIS and the U.S. Treasury Department's

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<sup>7</sup> *Supra*, note 4.

<sup>8</sup> "Records" include written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (emails, email attachments, Signal, WhatsApp, or other encrypted messages, and any other electronically-created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether or not they resulted in final documents).

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Financial Crimes Enforcement Network (“FinCEN”) regarding U.S. export controls, including efforts to issue joint alerts and notices of new Suspicious Activity Report key terms.

To expedite the Subcommittee’s review, I ask that you submit the material responsive to this request as it becomes available, rather than waiting to provide it all at once. Please contact the Subcommittee if you have any questions regarding the procedures for transmitting documents. Thank you for your attention to this request.

Sincerely,

A handwritten signature in blue ink that reads "Richard Blumenthal". The signature is written in a cursive style and is centered within a light gray rectangular box.

Richard Blumenthal  
Chairman  
Permanent Subcommittee on Investigations

cc: The Honorable Ron Johnson  
Ranking Member

Attachment

## APPENDIX A

In September 2023, the Permanent Subcommittee on Investigations (“PSI” or “the Subcommittee”) launched an inquiry into compliance by U.S.-based manufacturers with U.S. sanctions and export controls against Russia. PSI requested certain documents and information from Advanced Micro Devices Inc. (“AMD”), Analog Devices Inc. (“Analog Devices”), Intel Corporation (“Intel”), and Texas Instruments Incorporated (“Texas Instruments”) given repeated reports that their products have appeared in Russian military systems. The Subcommittee sought information regarding each company’s exports for the calendar years 2021, 2022, and 2023 to a number of countries that are not subject to targeted restrictions and have been publicly identified as having entities that have allegedly assisted Russia in acquiring semiconductors whose export to end users in Russia is currently restricted, including Armenia, Finland, Georgia, Kazakhstan, and Turkey.<sup>35</sup>

To date, the Subcommittee has received data responding to this specific request from each of the four companies for the full calendar years of 2021 and 2022. It has received partial 2023-year data from three companies and full 2023-year data from one.

These data show a near doubling in exports (recorded in individual product units) to five of the countries on the Subcommittee’s list from 2021 to 2022, with some countries showing particularly tremendous increases.<sup>36</sup>

**Figure 1: Number of Exports by Individual Product Units to Armenia, Finland, Georgia, Kazakhstan, and Turkey in 2021 and 2022**

	<u>2021</u>	<u>2022</u>	<u>% Increase</u>
Armenia	13,259	372,414	2,709
Finland	86,435,802	140,633,056	63
Georgia	375	13,014	3,370
Kazakhstan	1,936	1,918,771	99,010
Turkey	14,523,007	31,574,164	117

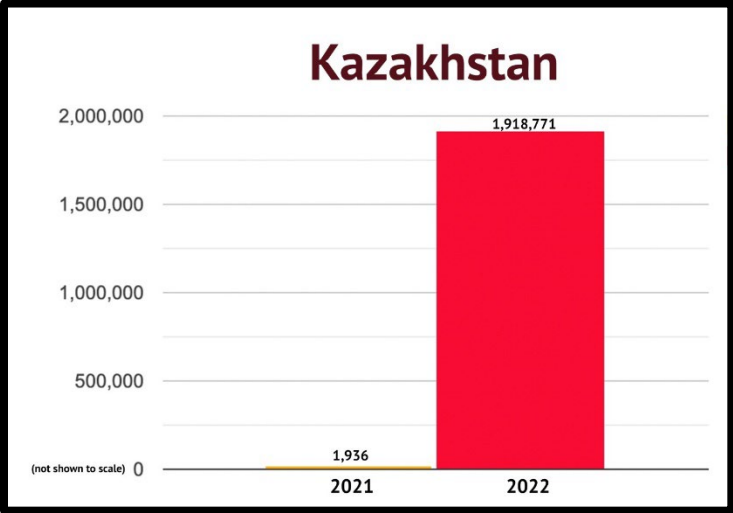
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<sup>35</sup> See, e.g., Nathaniel Taplin, *How Russia Supplies Its War Machine*, WALL STREET JOURNAL (Mar. 10, 2023), <https://www.wsj.com/articles/russia-ukraine-tech-chips-exports-china-f28b60ca>; Georgi Kantchev et al., *How Sanctioned Western Goods Are Still Flowing into Russia*, WALL STREET JOURNAL (May 14, 2023), <https://www.wsj.com/articles/how-sanctioned-western-goods-are-still-flowing-into-russia-916db262>; Natalia Drozdziak, *EU Backs More Sanctions on Belarus Over Aiding Russia’s War*, Bloomberg (Aug. 3, 2023), <https://www.bloomberg.com/news/articles/2023-08-03/eu-backs-more-sanctions-on-belarus-over-aiding-russia-s-war#xj4y7vzkg>; Gaya Gupta, *U.S. Aims New Sanctions at Russian Military Supply Chains*, N.Y. TIMES (Sept. 14, 2023), <https://www.nytimes.com/2023/09/14/world/europe/us-sanctions-russia.html>.

<sup>36</sup> These data have been aggregated based on information produced to PSI by the four U.S. companies subject to PSI’s investigation and do not reflect total exports to the countries in question or total exports by U.S. manufacturers during these years. These data should also not be read to suggest that each company distributed products to each country listed during the years in question, or that the increases detailed herein exist or are uniform across each of the four companies.

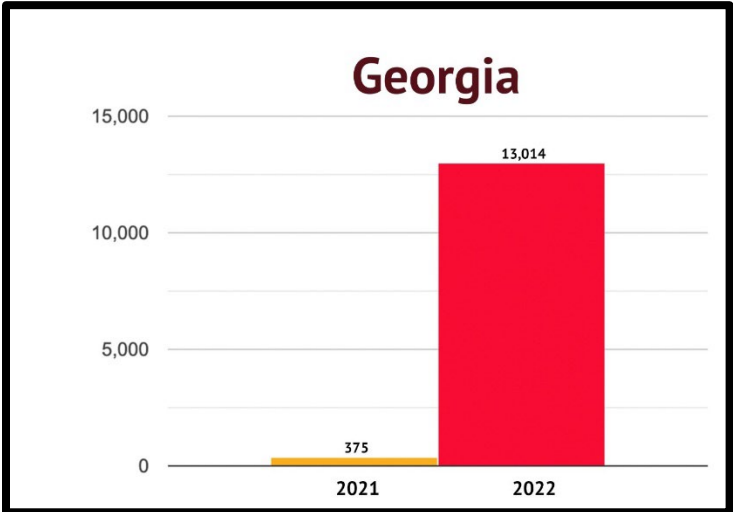
Exports to Kazakhstan from these four companies were almost 1,000 times greater from 2021 to 2022:

**Figure 2: Number of Exports by Individual Product Units to Kazakhstan in 2021 and 2022**

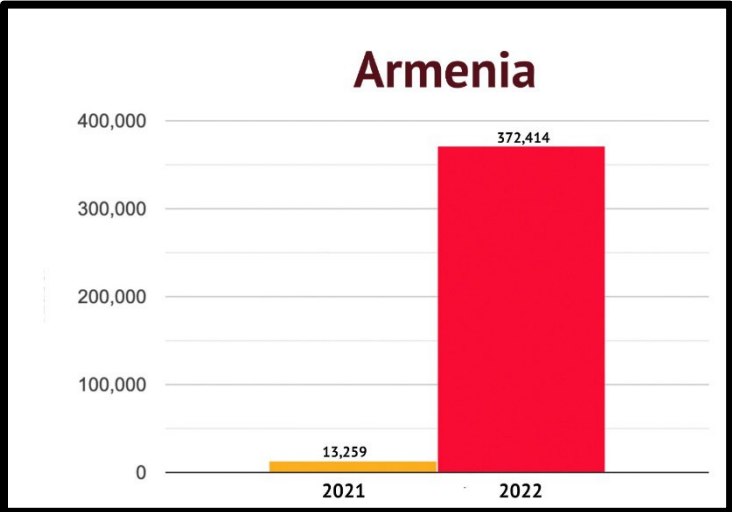


Exports to Georgia were over 34 times greater from 2021 to 2022, and exports to Armenia were more than 28 times greater:

**Figure 3: Number of Exports by Individual Product Units to Georgia in 2021 and 2022**

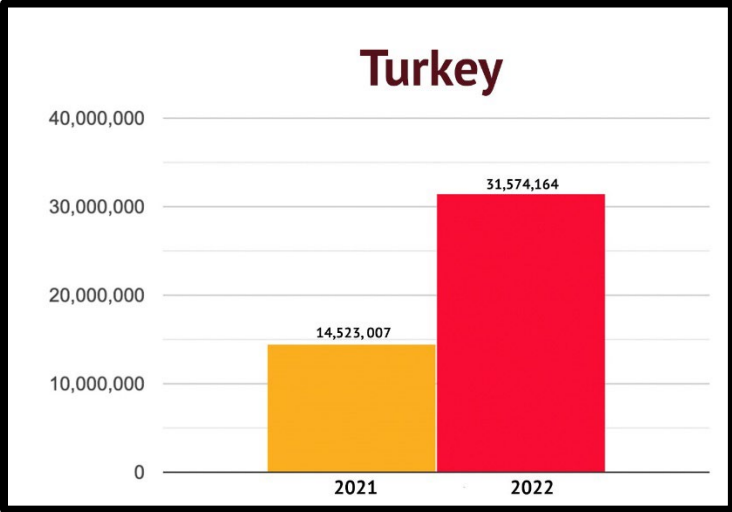


**Figure 4: Number of Exports by Individual Product Units to Armenia in 2021 and 2022**



Exports to Turkey more than doubled from 2021 to 2022 and exports to Finland were 1.5 greater, although in absolute numbers both countries received significantly more microchips than Armenia, Georgia, or Kazakhstan:

**Figure 5: Number of Exports by Individual Product Units to Turkey in 2021 and 2022**



**Figure 6: Number of Exports by Individual Product Units to Finland in 2021 and 2022**

