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OFAC Fines Data Center Investor IPI \$11.5M Over Funds Tied to Oligarch

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The U.S. Treasury Department's Office of Foreign Assets Control (OFAC) has announced a nearly \$11.5 million settlement with Chicago-based IPI Partners, a data center-focused private equity firm, to resolve alleged violations tied to dealings with designated Russian oligarch Suleiman Kerimov. OFAC concluded that IPI solicited and received investments linked to Kerimov before his 2018 designation and maintained that investment for four years thereafter, issuing capital calls, making profit distributions, and collecting management fees despite having reason to know Kerimov was the ultimate source of funds. OFAC emphasized that its sanctions authorities look beyond formal ownership and apply broad definitions of "interest" and "property interest" and that reliance on external legal advice does not insulate a company when material facts are not fully shared or when the advice fails to address indirect exposure to a sanctioned person.

The OFAC enforcement action identifies capital market's sanctions risks, particularly private equity firms and the need for enhanced diligence of any relationships with sanctioned individuals and entities. This is especially concerning for private equity firms because OFAC considered it an aggravating factor (resulting in a higher penalty) because the U.S. party was a "sophisticated private equity firm managing billions of dollars".

Although the facts arise in an investment fund context, the enforcement themes carry direct implications for companies engaged in international trade. Many trade flows—particularly those involving distributors, resellers, logistics providers, customs brokers, and payment intermediaries—present similar risks of indirect dealings with sanctioned persons through layered structures, gatekeepers, trusts, and offshore vehicles. OFAC's action underscores that name-screening alone and a narrow 50 Percent Rule analysis may be insufficient where there are credible indicators that a sanctioned person is the practical source of financing, control, or benefit.

In trade terms, that means companies should be wary of counterparties introduced by known representatives of sanctioned parties, attestations that lack supporting evidence, and transactions across multiple debits and credits where the ultimate beneficiary is obscured. These risks are especially acute in the data center ecosystem—construction, equipment, colocation, power, and connectivity—where layered counterparties and consolidated payments are common.

Recent actions across adjacent sectors reinforce this trend, including a [brokerage and investment services](#) settlement (July 15, 2025), a [digital asset exchange case](#) (Sept. 22, 2025), and a [real estate services matter](#) (Nov. 24, 2025).

In short, OFAC is signaling that it will look through formalities to underlying economic realities across sectors, not just finance. Companies should revisit their sanctions risk assessments, uplift counterparty onboarding and source-of-funds inquiries, reinforce cross-functional information-sharing, and formalize decision frameworks for when to block, reject, or seek a license. As this announcement shows, the combination of indirect exposure, incomplete internal reporting, and overreliance on narrow legal interpretations can convert ordinary commercial engagements into sanctions violations with significant financial and reputational consequences.

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