

US defends yacht seizure amid Russian businessman's claim, end of kleptocracy unit

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By [Samuel Rubinfeld](#)

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The US government has said the 348-foot yacht, called the Amadea, is owned and controlled by Russian billionaire Suleiman Kerimov, arguing that his use and improvements of the vessel were in violation of the sanctions imposed on him in 2018 (see [here](#) and [here](#)).

But Eduard Khudainatov, another Russian businessman, claims he is the true owner of the Amadea and is seeking to take the vessel back (see [here](#)). Khudainatov isn't under US sanctions, but he was blacklisted by the European Union in June 2022 (see [here](#)).

At closing arguments today in an evidentiary hearing to determine standing for Khudainatov's claim, the government told a federal judge in New York that Khudainatov sold the yacht to Kerimov in September 2021 but had retained title to serve as its straw owner. A lawyer for Khudainatov said the yacht had never been sold and, regardless, holding title was enough to establish standing at this stage of the case.

The yacht is docked in San Diego and being maintained by the US government amid the legal dispute.

Seizure of the Amadea in April 2022 was one of the biggest early wins of Task Force KleptoCapture, an interagency group dedicated to enforcing sanctions and other measures imposed by the US in response to Russia's full-scale invasion of Ukraine (see [here](#) and [here](#)).

But the forfeiture effort has dragged on for nearly three years, and the judge last June denied a government request to sell the vessel and pursue its forfeiture case against the net proceeds.

This week, hours after taking office, the new US attorney general disbanded the task force that had seized the Amadea in the first place and directed prosecutors to return to their prior posts (see [here](#)).

Adam Ford, a lawyer for Khudainatov, said in a statement following today's closing arguments that the KleptoCapture task force was a "failed Biden administration publicity stunt" that became a growing burden on US taxpayers. Calling the Amadea "the crown jewel" of the task force's work, Ford said the closing arguments "exceeded the threshold" for claimants' standing and further established that Khudainatov had always owned the vessel.

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