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Obama Expands Sanctions on Russian Officials to Press Putin (3)
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(Updates with market reaction, lawyer's comment, Hagel call to Russian defense minister beginning in eighth paragraph. For more on the conflict in Ukraine, go to EXT2.)

By Roger Runningen and James G. Neuger

March 20 (Bloomberg) -- President Barack Obama expanded U.S. financial sanctions to 20 more Russian officials, businessmen and a bank and authorized potential future penalties that would directly target sectors of the Russian economy.

"We're imposing sanctions on more senior officials of the Russian government," Obama said on the South Lawn of the White House. "In addition, we are today sanctioning a number of other individuals with substantial resources and influence who provide material support to the Russian leadership, as well as a bank that provides material support to these individuals."

With Russia poised to annex Crimea and its troops massing near Ukraine's border to the east and south, the U.S. and the European Union are moving to coordinate ramped up economic pressure on Russian President Vladimir Putin and his allies. Obama is set to travel next week to Europe to consult with EU leaders, who were meeting today to work on a unified position.

Today's action is against 20 individuals, members of the Russian government and business leaders who the U.S. says have ties to Putin, and adds to the seven Russian officials and four people from Ukraine who already were subjected to sanctions. It also includes Bank Rossiya in St. Petersburg, which U.S. officials said has \$10 billion in assets and is the 17th largest bank in Russia.

Sanctions Targets

Those targeted in the latest round include: Evgeni Viktorovich Bushmin, deputy speaker of the Federation Council of the Russian Federation; Andrei Fursenko, an aide to Putin; Vladimir Yakunin, chief executive officer of OAO Russian Railways; billionaire Gennady Timchenko, a co-founder of oil trader Gunvor Group Ltd; businessman Arkady Rotenberg, a former judo partner of Putin whose companies won more than \$7 billion of contracts for the 2014 Winter Olympics in Sochi, and his brother, Boris, and Yuri Kovalchuk, a partner at Bank Rossiya, according to a list released by the Treasury Department.

Eight of the 20 were previously designated by the EU.

The sanctions, based on an executive order issued March 17, ban the individuals' entry, freeze any personal assets they may have in the U.S. and bar them from doing business with any U.S. company or financial institution.

A U.S. official, who briefed reporters on condition of anonymity to discuss the details, said the individuals won't have access to any U.S. financial services and will have difficulty conducting transactions in dollars. Bank Rossiya also will be frozen out of dollar transactions.

Russian Economy

Obama also signed a new executive order, his third in response to the Ukraine crisis, authorizing though not implementing economic sanctions affecting parts of the Russian economy. They included financial services, energy, metals and mining, defense and engineering.

"This is not our preferred outcome," he said. "These sanctions would not only have a significant impact on the Russian economy, but also could be disruptive to the global economy."