

## ENFORCEMENT INFORMATION FOR DECEMBER 6, 2017

Information concerning the civil penalties process can be found in the Office of Foreign Assets Control (OFAC) regulations governing each sanctions program; the Reporting, Procedures, and Penalties Regulations, 31 C.F.R. Part 501; and the Economic Sanctions Enforcement Guidelines, 31 C.F.R. Part 501, app. A. These references, as well as recent final civil penalties and enforcement information, can be found on OFAC's website at [www.treasury.gov/ofac/enforcement](http://www.treasury.gov/ofac/enforcement).

### ENTITIES – 31 CFR 501.805(d)(1)(i)

**DENTSPLY SIRONA Inc. Settles Potential Civil Liability for Apparent Violations of the Iranian Transactions and Sanctions Regulations:** DENTSPLY SIRONA INC. (“DSI”), a U.S. company incorporated in Delaware, the successor in interest to DENTSPLY International Inc. (“DII” and, together with DSI, “DENTSPLY”), has agreed to pay \$1,220,400 to settle its potential civil liability for 37 apparent violations of § 560.204 of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. Part 560 (ITSR).<sup>1</sup> Specifically, between on or about November 26, 2009 and July 5, 2012 DII subsidiaries UK International (“UKI”)<sup>2</sup> and DS Healthcare Inc. (d.b.a. Sultan Healthcare) (“Sultan”),<sup>3</sup> exported 37 shipments of dental equipment and supplies from the United States, to distributors in third-countries, with knowledge or reason to know that the goods were ultimately destined for Iran.

OFAC determined that DII did not voluntarily disclose the apparent violations and that the apparent violations constitute a non-egregious case. The statutory maximum penalty amount for the apparent violations is \$9,551,082, and the base penalty amount for the apparent violations is \$1,695,500.

OFAC thoroughly considered the arguments DENTSPLY set forth in its submissions to OFAC, and the settlement amount reflects OFAC's consideration of the following facts and circumstances, pursuant to the General Factors under OFAC's Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, app. A.

OFAC considered the following to be aggravating factors:

(1) UKI and Sultan acted willfully by exporting U.S.-origin dental products to third-country distributors with knowledge or reason to know that the exports were ultimately destined for Iran in apparent violation of the ITSR. Personnel from these subsidiaries and/or divisions concealed the fact that the goods were destined for Iran, and in multiple cases continued to conduct business with these distributors after receiving confirmation that the distributors had re-exported DII products to Iran in apparent violation of the ITSR;

---

<sup>1</sup> On October 22, 2012, OFAC changed the heading of 31 C.F.R. part 560 from the Iranian Transactions Regulations to the ITSR, amended the renamed ITSR, and reissued them in their entirety. *See* 77 Fed. Reg. 64,664 (Oct. 22, 2012). For the sake of clarity, all references herein to the Regulations shall mean the regulations in 31 C.F.R. Part 560 in effect at the time of the activity, regardless of whether such activity occurred before or after the regulations were renamed.

<sup>2</sup> UK International was the trade name of Dentsply Ltd., now Dentsply IH Ltd.

<sup>3</sup> Sultan was merged into DII on December 31, 2014 and is now a trade name of DSI.

(2) Several supervisory and managerial personnel within UKI and Sultan had actual knowledge of, and actively participated in, the conduct that led to the apparent violations and appear to have deliberately concealed their awareness from DII; and

(3) DENTSPLY is a large and commercially sophisticated company with knowledge of U.S. sanctions and export control requirements.

OFAC considered the following to be mitigating factors:

- (1) DENTSPLY has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the date of the first transaction giving rise to the apparent violations, although DENTSPLY was previously the subject of a settlement involving substantially similar apparent violations in 2001;
- (2) The harm to the ITSR program objectives was limited because the exports were likely eligible for a specific license;
- (3) DENTSPLY took remedial steps, including voluntarily expanding the scope of the review to include a full, company-wide inquiry following a subpoena to one of its subsidiaries that led to the subsequent revelations involving the other subsidiary; and
- (4) DENTSPLY cooperated with OFAC's investigation, including by providing detailed and well-organized information for its review, and by agreeing to toll the statute of limitations for a total of 1,104 days.

For more information regarding OFAC regulations, please go to: [www.treasury.gov/ofac](http://www.treasury.gov/ofac).