

ENFORCEMENT INFORMATION FOR NOVEMBER 19, 2018

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 Web site at <http://www.treasury.gov/ofac/enforcement>.

ENTITIES – 31 CFR 501.805(d)(1)(i)

Société Générale S.A. Settles Potential Civil Liability for Apparent Violations of Multiple Sanctions Programs: Société Générale S.A., a financial institution headquartered in Paris, France, has agreed to remit \$53,966,916.05 to settle its potential civil liability for the 1,077 apparent violations of the Cuban Assets Control Regulations, 31 C.F.R. Part 515 (CACR); the Iranian Transactions and Sanctions Regulations, 31 C.F.R. Part 560 (ITSR)¹; and the Sudanese Sanctions Regulations, 31 C.F.R. Part 538 (SSR)² (collectively, the “Apparent Violations”). This settlement with OFAC is part of a global settlement among Société Générale S.A., OFAC, the Board of Governors of the Federal Reserve System, the U.S. Department of Justice, the New York County District Attorney's Office, the U.S. Attorney for the Southern District of New York, and the New York State Department of Financial Services.

OFAC determined that Société Générale S.A. did voluntarily self-disclose the Apparent Violations and that the Apparent Violations constitute an egregious case. The total base penalty amount for the Apparent Violations was \$101,630,490.80.

For at least five years up to and including 2012, Société Générale S.A. processed transactions to or through the United States or U.S. financial institutions that involved countries or persons (individuals and entities) subject to the sanctions programs administered by OFAC (collectively, “OFAC-sanctioned parties”). Société Générale S.A. often processed these transactions in a non-transparent manner that removed, omitted, obscured, or otherwise failed to include references to OFAC-sanctioned parties in the information sent to the U.S. financial institutions that were involved in the transactions. For more information regarding the conduct that led to the Apparent Violations, please see the Settlement Agreement between OFAC and Société Générale S.A. [here](#).

Société Générale S.A. processed 796 transactions involving Cuba totaling approximately \$5,503,813,992.25 between July 11, 2007 and October 26, 2010, in apparent violation of the CACR. The total base penalty for this set of apparent violations was \$25,870,000.00. Société Générale S.A.

¹ On October 22, 2012, OFAC changed the title of 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 ITSR 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.

² On January 13, 2017, the President issued Executive Order 13761, “Recognizing Positive Actions by the Government of Sudan and Providing for the Revocation of Certain Sudan-Related Sanctions.” This Executive Order terminated the national emergency with respect to Sudan, revoked sections 1 and 2 of Executive Order 13067 of November 3, 1997, and revoked Executive Order 13412 of October 13, 2006 in its entirety. However, Section 1 of Executive Order 13761 states that the revocation of those provisions of Executive Order of 13067 and of Executive Order 13412 shall not affect any violation of any rules, regulations, orders, licenses, or other forms of administrative action under those orders during the period that those provisions were in effect. See OFAC's website for more information: <https://www.treasury.gov/resource-center/sanctions/Programs/pages/Sudan.aspx>.

processed 30 transactions involving Iran totaling approximately \$34,152,962.50 between November 20, 2008 and January 20, 2009, in apparent violation of the ITSR. The total base penalty for this set of apparent violations was \$34,152,962.50. Société Générale S.A. processed 251 transactions involving Sudan totaling \$22,486,039.61 between July 9, 2007 and March 19, 2012, in apparent violation of the SSR. The total base penalty for this set of apparent violations was \$41,656,278.22.

The settlement amount reflects OFAC's consideration of the following facts and circumstances, pursuant to the General Factors Affecting Administrative Action under OFAC's Economic Sanctions Enforcement Guidelines, 31 C.F.R. Part 501, app. A. OFAC found the following to be aggravating factors:

- Société Générale S.A. had indications that its conduct might constitute a violation of U.S. law, and certain Société Générale S.A. employees demonstrated awareness that Société Générale S.A.'s conduct constituted a violation of U.S. law before and at the time the Apparent Violations took place;
- Société Générale S.A. exercised a reckless disregard for U.S. sanctions requirements when it demonstrated a pattern or practice across multiple bank units and business lines of processing transactions to or through U.S. financial institutions after removing, omitting, obscuring, or otherwise failing to include the involvement of OFAC-sanctioned parties in associated payment instructions, which apparently continued practices set out in stripping instructions that the bank drafted, disseminated, and revoked prior to 2007;
- Société Générale S.A. ignored warning signs that its conduct could have constituted an apparent violation of U.S. sanctions laws on numerous occasions, including on numerous occasions when U.S. financial institutions rejected payment instructions containing references to OFAC-sanctioned parties, and when bank employees read OFAC's enforcement actions and discussed the similarities between the conduct in those enforcement actions and Société Générale S.A.'s payment practices;
- Numerous Société Générale S.A. employees and members of the bank's management across multiple business lines and bank locations had actual knowledge of the conduct that led to the Apparent Violations;
- Société Générale S.A.'s conduct conferred significant economic benefit to persons subject to U.S. sanctions and undermined the integrity and policy objectives of multiple U.S. sanctions programs; and
- Société Générale S.A. is a large and commercially sophisticated financial institution.

OFAC found the following to be mitigating factors:

- Société Générale S.A. has not received a Penalty Notice or Finding of Violation from OFAC in the five years preceding the date of the earliest transaction giving rise to the Apparent Violations;
- Société Générale S.A. cooperated with OFAC's investigation of the Apparent Violations by conducting an internal investigation, responding to multiple requests for information in a timely manner, and executing a statute of limitations tolling agreement with multiple extensions; and
- Société Générale S.A. took remedial action in response to the apparent violations described above:
 - Société Générale S.A. has terminated the conduct outlined above and has established, and agrees to maintain, policies and procedures that prohibit, and are designed to minimize the risk of the recurrence of, similar conduct in the future.

- Société Générale S.A has created a centralized sanctions compliance function, implemented key enhancements at the group level, and implemented enhancements within the business lines that were subject to the review.
- Société Générale S.A has increased the number of personnel within compliance staffing, and SG's total budget for sanctions compliance has also increased.
- Société Générale S.A has implemented a more comprehensive training regime for employees across the group and various business lines, including a group-wide general training program. Group Sanctions Compliance has also developed targeted, in-person training for employees with a higher risk of exposure to sanctions-related transactions.

For more information regarding OFAC regulations, please visit: <http://www.treasury.gov/ofac>.