

## ENFORCEMENT INFORMATION FOR FEBRUARY 25, 2016

Information concerning the civil penalties process can be found in the 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 [www.treasury.gov/ofac/enforcement](http://www.treasury.gov/ofac/enforcement).

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

**Halliburton Atlantic Limited and Halliburton Overseas Limited Settle Potential Civil Liability for Alleged Violations of the Cuban Assets Control Regulations.** Halliburton Atlantic Limited (HAL) has agreed to pay \$304,706 on behalf of itself and its affiliate, Halliburton Overseas Limited (HOL), to settle potential civil liability for alleged violations of the Cuban Assets Control Regulations, 31 C.F.R. part 515 (the "CACR"), by HAL and HOL.

From on or about February 15, 2011, to on or about April 6, 2011, HAL and HOL, two Cayman Island subsidiaries of the U.S. company Halliburton Energy Services, Inc. (collectively, "Halliburton"), appear to have violated § 515.201(b) of the CACR by dealing in property in which Cuba or a Cuban national had an interest when they exported goods and services in support of oil and gas exploration and drilling activities within the Cabinda Onshore South Block oil concession (the "Concession") in Angola. Specifically, Cuba Petroleo, a state-owned Cuban company also known as Cupet, held a five percent interest in an oil and gas production consortium ("the Consortium") and corresponding interests in the Concession and any oil or gas procured within the Concession. HAL and HOL knew or should have known they were dealing in property in which Cupet — and therefore Cuba — had an interest. HAL issued 19 invoices to the Consortium operator, a company with headquarters in Angola, related to these goods and services, and HOL primarily performed the services which were invoiced. The total amount invoiced by HAL was \$1,189,752.

OFAC determined that the alleged violations were voluntarily self-disclosed and constituted a non-egregious case. The total transaction value of the alleged violations was \$1,189,752. The statutory maximum civil monetary penalty for the alleged violations was \$1,235,000 and the base penalty amount for the alleged violations was \$423,202.

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) HAL and HOL acted with reckless disregard for U.S. sanctions by conducting transactions for the benefit of a Consortium without conducting reasonable due diligence to determine who belonged to the Consortium and had a corresponding interest in the Concession; (2) HAL and HOL should have known that a Cuban entity belonged to the Consortium because the Consortium operator provided HAL with documents that showed that Cupet was a member, and there were other contemporaneous documents that stated Cupet held an interest in the Consortium, including a news article and a notice in an Angolan government registry; (3) Halliburton and its affiliated companies are sophisticated entities that regularly deal in oilfield goods and services around the

world; and (4) Halliburton's sanctions compliance program was inadequate because it did not include a procedure to screen all of the Consortium members.

OFAC considered the following to be mitigating factors:

(1) HAL and HOL are eligible for up to 25 percent "first violation" mitigation because they have not been the subject of a penalty notice or Finding of Violation in the five years preceding the date of the earliest transaction giving rise to the apparent violations; and (2) Cupet's interest in the Concession was only five percent, thus reducing the extent of the economic benefit provided to a sanctioned country.

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