

## **ENFORCEMENT INFORMATION FOR AUGUST 5, 2015**

**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)**

#### **Production Products, Inc. Settles Potential Civil Liability for Alleged Violations of the Weapons of Mass Destruction Proliferators Sanctions Regulations, 31 C.F.R. part 544:**

Production Products, Inc. ("PPI") has agreed to pay \$78,750 to settle potential civil liability for two alleged violations of the Weapons of Mass Destruction Proliferators Sanctions Regulations, 31 C.F.R. part 544 (the "WMDPSR"). From on or about December 15, 2009, to on or about August 18, 2010, PPI shipped three duct fabrication machines, valued at \$500,000 total, to China National Precision Machinery Import and Export Corp. (CNPM) and received payment in connection with that export without authorization from OFAC (the "Alleged Violations"). CNPM is a Specially Designated National.

OFAC determined that PPI did not voluntarily self-disclose the Alleged Violations and that the Alleged Violations constituted a non-egregious case. The maximum penalty amount for the Alleged Violations was \$1,000,000, and the base penalty amount was \$250,000.

The settlement 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) PPI failed to exercise a minimal degree of caution or care with respect to OFAC sanctions; (2) PPI had knowledge that the transaction involved CNPM, a Specially Designated National; (3) PPI did not have a sanctions compliance program in place at the time of the transaction; and (4) the transaction likely provided economic benefit to a Specially Designated National. OFAC considered the following to be mitigating factors: (1) PPI has not received a Penalty Notice or Finding of Violation from OFAC in the five years preceding the date of the transaction giving rise to the Alleged Violations; (2) PPI is a small, family-owned business with only ten employees; (3) PPI took remedial steps to implement a sanctions compliance program; and (4) PPI substantially cooperated with OFAC by responding promptly and completely to OFAC's additional requests for information and documents.

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