

ENFORCEMENT INFORMATION FOR OCTOBER 20, 2015

Information concerning the civil penalties process is discussed in OFAC regulations governing the various sanctions programs and in 31 CFR part 501. On November 9, 2009, OFAC published as Appendix A to part 501 Economic Sanctions Enforcement Guidelines. See 74 Fed. Reg. 57,593 (Nov. 9, 2009). The Economic Sanctions Enforcement Guidelines, 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)

Crédit Agricole Corporate and Investment Bank Settles Potential Civil Liability for Apparent Violations of Multiple Sanctions Programs: Crédit Agricole Corporate and Investment Bank (CA-CIB) has agreed to settle its potential civil liability for 4,297 apparent violations of primarily the Sudanese Sanctions Regulations, 31 C.F.R. part 538 (SSR), but also the Cuban Assets Control Regulations, 31 C.F.R. part 515 (CACR), the Burmese Sanctions Regulations, 31 C.F.R. part 537 (BSR), and the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR).¹ CA-CIB's settlement with the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is part of a global settlement among CA-CIB, OFAC, the U.S. Department of Justice, the New York County District Attorney's Office, the Federal Reserve Board of Governors, and the Department of Financial Services of the State of New York. CA-CIB agreed to settle with OFAC the apparent violations of OFAC regulations for \$329,593,585, with the obligation deemed satisfied by payment of an equal or greater amount to U.S. federal, state, or county officials arising out of the same pattern of conduct.

OFAC determined that CA-CIB did not voluntarily self-disclose these apparent violations, and that the apparent violations constitute an egregious case. Both the statutory maximum and base civil monetary penalties in this case were \$1,464,860,377.

For a number of years, up to and including 2008, CA-CIB and certain of its predecessor banks, and CA-CIB's subsidiary located in Switzerland, Crédit Agricole (Suisse) S.A. ("CAS"), and its predecessors — including Crédit Lyonnais (Suisse) S.A. ("CLS") and Crédit Agricole Indosuez (Suisse) S.A. ("CAIS") — processed thousands of transactions to or through U.S. financial institutions that involved countries and/or persons (individuals and entities) subject to the sanctions regulations administered by OFAC. Personnel (including managers) from various business units within these CA-CIB entities were aware of U.S. economic sanctions programs and understood that U.S. financial institutions were required to block or reject transactions involving an OFAC-sanctioned country or person. Despite this knowledge, the above-referenced banks used cover payments and/or implemented special payment practices in a manner that omitted references to U.S.-sanctioned parties in U.S. Dollar (USD) Society for Worldwide Interbank Financial Telecommunication (SWIFT) payment messages sent to the United States,

¹ 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 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 reissued.

thereby preventing U.S. financial institutions from appropriately reviewing and analyzing the transactions for compliance with OFAC regulations. For more information regarding the conduct that led to the apparent violations, [please see the Settlement Agreement between OFAC and CA-CIB here](#).

CA-CIB processed 4,055 transactions totaling approximately \$337,042,846 between August 6, 2003 and September 16, 2008 involving Sudan in apparent violation of the SSR. Of the 4,055 electronic funds transfers, 4,024 transactions totaling \$317,241,069 were processed by CAS or its predecessors, in particular CLS. The total base penalty for this set of apparent violations was \$1,426,084,069. CA-CIB processed 173 transactions totaling approximately \$97,195,314 between January 2004 and June 16, 2008 involving Cuba in apparent violation of the CACR. The total base penalty for this set of apparent violations was \$11,245,000. CA-CIB processed 53 transactions totaling approximately \$7,238,281 between August 15, 2003 and October 20, 2008 involving Burma in apparent violation of the BSR. The total base penalty for this set of apparent violations was \$23,253,308. CA-CIB processed 16 transactions totaling approximately \$397,453 between October 2003 and December 2006 involving Iran in apparent violation of the ITSR. The total base penalty for this set of apparent violations was \$4,278,000.

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. The following were found to be aggravating factors: CA-CIB — in particular through CLS and CAIS (which subsequently merged to form CAS) — had indications that its conduct might constitute a violation of U.S. law before the earliest date of the apparent violations; several CA-CIB managers, in particular at the Swiss locations and in some instances Paris Head Office, were aware of the conduct that led to the apparent violations; CA-CIB's conduct resulted in significant harm to several of the sanctions programs administered by OFAC and their associated policy objectives; CA-CIB is a large and sophisticated institution with a global presence; and CA-CIB did not have appropriate controls in place to prevent these apparent violations from occurring and otherwise had an inadequate compliance program. Mitigation was extended because CA-CIB has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the earliest date of the transaction giving rise to the apparent violations; the bank took appropriate remedial action in response to these apparent violations; and CA-CIB provided substantial cooperation throughout the course of OFAC's investigation, including by producing detailed and well-organized information, and by executing a statute of limitations agreement and multiple extensions to the agreement. OFAC also considered that the majority of the apparent violations occurred between 2003 and 2005 and prior to the publication of the ABN Amro settlement.

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