

## **ENFORCEMENT INFORMATION FOR April 4, 2008**

**Information concerning the civil penalty process is discussed in OFAC regulations governing the various sanctions programs or, in the case of sanctions regulations issued pursuant to the Trading with the Enemy Act, in 31 CFR part 501. Civil penalty procedures are also discussed in OFAC's proposed Enforcement Guidelines, 68 FR 4422 – 4429 (January 29, 2003). However, please note that, for banking institutions regulated by one of the agencies belonging to the Federal Financial Institutions Examination Council, the proposed enforcement guidelines have been withdrawn and replaced by an interim final rule (“Economic Sanctions Procedures for Banking Institutions”), 71 FR 1971 – 1976 (January 12, 2006), which has an effective date of February 13, 2006. Both the proposed Enforcement Guidelines and the interim final rule are available on OFAC's website, available at <http://www.treas.gov/offices/enforcement/ofac/civpen/enfguide.pdf>.**

**OFAC is now posting on this website copies of its final agency Penalty Notices with the relevant case reports to the extent permitted under applicable law.**

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

#### **Mahdavi's A&A Rug Company Settles Iranian Transactions Regulations:**

Mahdavi's A&A Rug Company, Norcross, Georgia has remitted \$9,240.00 to settle allegations of violations of the Iranian Transactions Regulations occurring on July 17, 2003. OFAC alleged that Mahdavi's A&A Rug Company imported Iranian goods in violation of § 560.201 of the Iranian Transactions Regulations. Mahdavi's A&A Rug Company did not voluntarily disclose this matter to OFAC.

#### **Morgan Stanley Settles Allegations of Violations of the Narcotics Trafficking**

**Sanctions Regulations:** Morgan Stanley has remitted \$3,162.00 to settle allegations of violations of the Narcotics Trafficking Sanctions Regulations. On October 11, 2007, Morgan Stanley allegedly issued instructions to a bank for a wire transfer from an SDNT's securities account without an OFAC license and failed to block the securities account at the time of the SDNT's designation on March 28, 2007. As a remedial measure, upon learning of that failure, Morgan Stanley repaired an error in its interdiction software and rescreened potentially affected accounts. Although Morgan Stanley did not voluntarily disclose this matter to OFAC, it notified OFAC of the apparent violation simultaneously with the blocking bank and cooperated with OFAC's investigation.

#### **United Advantage Northwest Federal Credit Union, successor to Advantage Northwest Federal Credit Union, Settles Cuban Asset Control Regulations**

**Allegations:** United Advantage Federal Credit Union, successor to Advantage Northwest Federal Credit Union, Portland, OR (“Advantage”), has remitted \$2,970 to settle allegations of violations of the Cuban Assets Control Regulations in July 2003. OFAC alleged that Advantage acted without an OFAC license by processing a funds transfer destined for Cuba. Advantage did not voluntarily disclose this matter to OFAC.

**Good Hope International, Inc. Settles Allegations of Violations of the Iranian Transactions Regulations:** Good Hope International, Inc. (“GHI”), of Lenexa, KS, has remitted \$900 to settle allegations of violations of the Iranian Transactions Regulations. The alleged violations occurred in April and May 2006. OFAC alleged that GHI used the services of an Iranian vessel to transport goods from India to Holland without an OFAC license. GHI did not voluntarily disclose this matter to OFAC.

**INDIVIDUALS – 31 CFR 501.805(d)(1)(ii)**

**One individual has agreed to a settlement totaling \$2,750 for alleged violations of the Iranian Transactions Regulations:** In January 2004, the individual allegedly attempted to transfer funds to a foreign company on behalf of an Iranian company in payment for equipment purchases without an OFAC license. The individual did not voluntarily disclose this matter to OFAC.

**One individual has agreed to a settlement totaling \$1,087 for allegedly dealing in property in which Cuba or a Cuban national had an interest:** Between March 2004 and July 2004, on multiple occasions, the individual allegedly purchased Cuban-origin cigars offered for sale on the Internet. The individual did not voluntarily disclose this matter to OFAC.

**One individual was assessed a penalty totaling \$411.04 for allegedly dealing in property in which Cuba or a Cuban national had an interest:** In 2003 and 2004, the individual allegedly purchased Cuban cigars over the Internet. The individual did not voluntarily disclose this matter to OFAC.

**One individual has agreed to a settlement totaling \$400 for allegedly dealing in property in which Cuba or a Cuban national had an interest:** On July 12, 2004, September 12, 2004, December 23, 2004, July 3, 2005, and August 3, 2005, the individual allegedly purchased Cuban-origin cigars offered for sale on the Internet. The individual did not voluntarily disclose this matter to OFAC.

**For more information regarding OFAC regulations, please go to:**  
<http://www.treas.gov/offices/enforcement/ofac/legal/>.