



DEPARTMENT OF THE TREASURY
OFFICE OF FOREIGN ASSETS CONTROL

ENFORCEMENT INFORMATION FOR FEBRUARY 2, 2007

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belonging to the Federal Financial Institutions Examination Council, the proposed enforcement guidelines have been withdrawn and replaced by an interim final rule ("Economic Sanctions Procedures for Banking Institutions"), 71 FR 1971 – 1976 (January 12, 2006), which has an effective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)

Vesper Corporation Settles Allegations of Violations of Cuban Embargo and Iranian Sanctions Programs: Vesper Corp., Newtown Square, PA 19073 ("Vesper"), has remitted \$23,800 to settle allegations of violations of the Cuban Assets Control Regulations and Iranian Transactions Regulations occurring between October 2001 and October 2003. OFAC alleged that Vesper acted without an OFAC license or outside the scope of its license by exporting goods to Cuba and Iran. Vesper voluntarily disclosed this matter to OFAC. Vesper has also appointed an Export Compliance Officer, adopted a written compliance policy, established formal compliance training and has amended its quotation and order entry procedures to refuse orders from sanctioned countries.

Tyco Valves & Controls Middle East, Inc. Settles Iranian Sanctions Program Allegations: Tyco Valves & Controls Middle East, Inc., Dubai, United Arab Emirates ("Tyco"), has remitted \$450,905.50 to settle allegations of violations of the Iranian Transactions Regulations occurring between April 2001 and November 2005. OFAC alleged that Tyco acted without an OFAC license or outside the scope of its license by exporting goods from outside the United States to Iran. Tyco voluntarily disclosed this matter to OFAC and enhanced its compliance program.

Encore Medical, L.P., successor by merger to Chattanooga Group, Inc. Settles Iran Program Allegations: Encore Medical, L.P., successor by merger to Chattanooga Group, Inc., Hixson, Tennessee, 37343 ("Chattanooga Group"), has remitted \$3,241.20 to settle an alleged violation of the Iran program occurring between April and May 2000. OFAC alleged that Chattanooga Group disregarded licensing requirements for the export of physical therapy equipment to Iran by exporting without a license and routing sales to Iran through Belgium and Australia. Chattanooga Group has reported to OFAC corrective measures and the creation of an OFAC compliance program. Chattanooga Group did not voluntarily disclose this matter to OFAC.



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EMD Chemicals, Inc. Settles Iran Sanctions Program Allegations: EMD Chemicals, Inc., Gibbstown, NJ 08027 (“EMD”), has remitted \$8,250 to settle allegations of violations of the Iranian Transactions Regulations occurring between May and June 2003. OFAC alleged that EMD acted without an OFAC license or outside the scope of its license by exporting goods to Iran. EMD voluntarily disclosed this matter to OFAC.

INDIVIDUALS – 31 CFR 501.801 (d)(1)(ii)

One individual was assessed a penalty totaling \$765 for dealing in property in which Cuba or a Cuban national had an interest: On June 18, 2003, September 29, 2003 and March 11, 2004, the individual purchased Cuban-origin cigars offered for sale on the Internet.

One individual was assessed a penalty totaling \$10,250 for travel-related transactions related to a trip to Cuba as well as for failing to respond to OFAC’s Requirement to Furnish Information: In June 2002, the individual engaged in travel-related transactions, including the receipt of and payment for goods and services while in Cuba. In December 2003, the individual received OFAC’s Requirement to Furnish Information, which directed a response within 20 days. The individual never responded to the Requirement.

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