

## **ENFORCEMENT INFORMATION FOR July 15, 2010**

**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 new Economic Sanctions Enforcement Guidelines. Although these new guidelines replace earlier enforcement guidelines published by OFAC, for certain matters that were in process at the time the new guidelines were published, the prior guidelines (which can be found at 68 *Fed. Reg.* 4422 and 71 *Fed. Reg.* 1971) are still applicable. Please see OFAC's Revised Interim Policy regarding use of the prior guidelines. The Revised Interim Policy, along with the new guidelines and copies of recent final Penalty Notices, can be found on OFAC's website at <http://www.treas.gov/offices/enforcement/ofac/civpen>.**

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

#### **United Nations Federal Credit Union Settles Cuban Assets Control Regulations**

**Allegations:** United Nations Federal Credit Union, New York City, New York (“UNFCU”), a federally chartered and regulated credit union, has remitted \$500,000 to settle allegations of violations of the Cuban Assets Control Regulations, 31 C.F.R. part 515 (the “CACR”). OFAC alleged that UNFCU dealt in property in which Cuba or a Cuban national had an interest in violation of the CACR by engaging in certain unauthorized financial transactions on behalf of its members/accountholders who were blocked Cuban nationals pursuant to the CACR. The transactions involved financial services that were routinely provided by UNFCU to its members. The alleged violations were not voluntarily self-disclosed by UNFCU and were non-egregious in nature. The base penalty amount for the alleged violations totaled \$5,237,100. The settlement amount reflects OFAC's consideration of the following General Factors: UNFCU cooperated with OFAC during the investigation by providing prompt responses to all OFAC inquiries; UNFCU has undertaken significant remedial measures to augment its OFAC compliance program to ensure OFAC compliance in the future; a significant portion of the base penalty amount is attributable to many substantially similar apparent violations; and UNFCU has not previously violated OFAC sanctions. As part of the settlement, UNFCU has further agreed to conduct a review of all of its accounts for compliance with the CACR, and to report the results of that review to OFAC.

**Agar Corporation, Inc. Settles Sudan Export Allegations:** Agar Corporation, Inc., Houston, TX, (“ACI”), a U.S. manufacturer of specialized flow metering equipment for the petroleum industry, has settled OFAC allegations involving ACI's unlicensed export of metering equipment to its affiliate in Venezuela with knowledge that the equipment would be incorporated into items sent to Sudan in violation of the Sudanese Sanctions Regulations (the “SSR”), which were promulgated pursuant to the International Emergency Economic Powers Act (“IEEPA”) and are administered by OFAC. ACI agreed to pay OFAC \$860,000 with respect to ACI's apparent violations of the SSR. This action was taken in conjunction with a plea agreement between the U.S. Department of Justice and ACI. ACI pleaded guilty to one count of violating IEEPA and agreed to

the payment of a \$760,000 criminal penalty and to the forfeiture of \$380,000, for a total criminal penalty of \$1,140,000, accepted four years' probation, agreed to institute a comprehensive U.S. sanctions compliance program, and agreed to initiate employee training as part of that program.

OFAC alleged that, during the period April - June 2005, ACI violated §§ 538.205, 538.206, and 538.211 of the SSR when it engaged in seven shipments of component parts to Venezuela for incorporation into items to be shipped to Sudan. ACI did not voluntarily disclose this matter to OFAC, and OFAC considered the case to be egregious in light of ACI's intentional efforts to evade sanctions. The total transaction value for the seven transactions settled with OFAC was \$444,887, and the base penalty amount for ACI's alleged violations was \$1,967,098, the maximum applicable penalty.

The settlement amount reflects ACI's cooperation with investigations by the U.S. Bureau of Immigration and Customs Enforcement and OFAC and the substantial criminal penalty to which ACI agreed; ACI's agreement to enter into a tolling agreement requested by OFAC; and ACI's implementation of a robust compliance program that will require export compliance training.

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

**One individual was assessed a penalty totaling \$5,000 for violating the Sudanese Sanctions Regulations:** On or about July 10, 2006, the individual entered into, and later fulfilled, an agreement to perform consulting services for a project to establish and operate a truck dealership in Sudan. The individual did not voluntarily disclose this matter to OFAC. The base penalty amount for the alleged violation was \$25,000. The final penalty amount reflects OFAC's consideration of the following general factors: this was the individual's first OFAC violation and documented financial hardship.

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