

ENFORCEMENT INFORMATION FOR June 30, 2014

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)

BNP Paribas SA Settles Potential Civil Liability for Apparent Violations of Multiple Sanctions Programs: BNP Paribas SA (“BNPP”) has agreed to settle potential civil liability for 3,897 apparent violations of: the Sudanese Sanctions Regulations (the “SSR”), 31 C.F.R. part 538; the Iranian Transactions and Sanctions Regulations (the “ITSR”),¹ 31 C.F.R. part 560; the Cuban Assets Control Regulations (the “CACR”), 31 C.F.R. part 515; and the Burmese Sanctions Regulations (the “BSR”), 31 C.F.R. part 537. BNPP's settlement with the Office of Foreign Assets Control (“OFAC”) is part of a global settlement among BNPP, 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. BNPP agreed to settle with OFAC the apparent violations of OFAC regulations for \$963,619,900, with the obligation deemed satisfied by payment of an equal or greater amount in satisfaction of penalties by the Department of Justice and the New York County District Attorney's Office arising out of the same pattern of conduct.

OFAC determined that BNPP 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 \$19,272,380,006.

For a number of years, up to and including 2012, BNPP processed thousands of transactions to or through U.S. financial institutions that involved countries, entities, and/or individuals subject to the sanctions programs listed above. BNPP appears to have engaged in a systematic practice, spanning many years and involving multiple BNPP branches and business lines, that concealed, removed, omitted, or obscured references to, or the interest or involvement of, sanctioned parties in U.S. Dollar Society for Worldwide Interbank Financial Telecommunication payment messages sent to U.S. financial institutions. The specific payment practices the bank utilized in order to process certain sanctions-related payments to or through the United States included omitting references to sanctioned parties; replacing the names of sanctioned parties with BNPP's name or a code word; and structuring payments in a manner that did not identify the involvement of sanctioned parties in payments sent to U.S. financial institutions. For more information regarding the conduct that led to the apparent violations, please see the Settlement Agreement between OFAC and BNPP [here](#).

¹ Please note that on October 22, 2012, OFAC changed the title of 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 renamed.

BNPP processed 2,663 wire transfers totaling approximately \$8,370,372,624 between September 6, 2005, and July 24, 2009, involving Sudan in apparent violation of the SSR. The total base penalty for this set of apparent violations was \$16,826,707,625. BNPP processed 318 wire transfers totaling approximately \$1,182,075,543 between July 15, 2005, and November 27, 2012, involving Iran in apparent violation of the ITSR. The total base penalty for this set of apparent violations was \$2,382,634,677. BNPP processed 909 wire transfers totaling approximately \$689,237,183 between July 18, 2005, and September 10, 2012, involving Cuba in apparent violation of the CACR. The total base penalty for this set of apparent violations was \$59,085,000. BNPP processed seven wire transfers totaling approximately \$1,478,371 between November 3, 2005, and approximately May 2009, involving Burma in apparent violation of the BSR. The total base penalty for this set of apparent violations was \$3,952,704.

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: BNPP had indications that its conduct might have constituted violations of U.S. law, and therefore BNPP acted with reckless disregard for U.S. sanctions regulations; at least one member of BNPP's senior management was aware of the conduct leading to the apparent violations; BNPP's business line management and supervisors were aware, and/or had reason to know, of the conduct leading to the apparent violations; the conduct described above resulted from a pattern or practice that spanned many years and multiple BNPP branches and product lines; the conduct described above conferred significant economic benefit to persons subject to U.S. sanctions and undermined the integrity of multiple U.S. sanctions programs; BNPP is a large and commercially sophisticated financial institution; and BNPP did not maintain adequate policies, procedures, or internal controls to ensure compliance with the sanctions programs administered by OFAC. Mitigation was extended because BNPP has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the date of the earliest transaction giving rise to the apparent violations; BNPP cooperated with OFAC's investigation of the apparent violations by conducting an extensive internal investigation and executing a statute of limitations tolling agreement with multiple extensions; BNPP took remedial action in response to the apparent violations described above; and a consideration of the totality of the circumstances warrants further mitigation to ensure an enforcement response that is proportionate to the nature of the violations.

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