

ENFORCEMENT INFORMATION FOR November 13, 2014

Information concerning the civil penalties process is discussed in OFAC regulations governing the various sanctions programs and in 31 C.F.R. part 501. On November 9, 2009, OFAC published as Appendix A to part 501 Economic Sanctions Enforcement Guidelines. See 31 C.F.R. part 501, app. A. The Economic Sanctions Enforcement Guidelines, as well as recent final civil penalties and enforcement information, can be found on OFAC's Web site at www.treasury.gov/ofac/enforcement.

ENTITIES – 31 CFR 501.805(d)(1)(i)

ESCO Corporation Settles Potential Civil Liability for Apparent Violations of the Cuban Assets Control Regulations: ESCO Corporation (ESCO) of Portland, Oregon has agreed to pay \$2,057,540 to settle potential civil liability for apparent violations of the Cuban Assets Control Regulations, 31 C.F.R. part 515 (the CACR). ESCO appears to have violated §§ 515.201 and 515.204 of the CACR when its subsidiary purchased nickel briquettes made or derived from Cuban-origin nickel between on or about November 7, 2007, and on or about June 11, 2011.

OFAC determined that ESCO voluntarily self-disclosed the apparent violations and that the apparent violations constitute a non-egregious case. The total transaction value for the apparent violations was \$6,188,149, and the base penalty amount for the apparent violations was \$3,048,208.

The settlement amount reflects OFAC's consideration of the following facts and circumstances, pursuant to the General Factors under OFAC's Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, app. A. OFAC considered the following to be aggravating factors: ESCO acted with reckless disregard for Cuba sanctions program by failing to identify, despite the presence of contemporaneous "red flags" in the public domain, that the nickel briquettes were made or derived from Cuban-origin nickel; ESCO caused significant harm to the Cuba sanctions program and its policy objectives by conducting large-volume and high-value transactions in products made or derived from Cuban-origin nickel, which were ultimately sourced from Specially Designated Nationals; and ESCO is a commercially sophisticated company with international operations. OFAC considered the following to be mitigating factors: ESCO has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the date of the first transaction giving rise to the apparent violations; ESCO has enhanced its OFAC compliance plan and conducted a thorough look-back; and ESCO cooperated with OFAC's investigation, including by executing and extending a statute of limitations tolling agreement.

For more information regarding OFAC regulations, please go to: www.treasury.gov/ofac.