

## **ENFORCEMENT INFORMATION FOR February 22, 2013**

**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)**

**Bank of Guam Settles Potential Civil Liability for Apparent Violations of the Iranian Transactions Regulations:** Bank of Guam has agreed to remit \$27,000 to settle potential civil liability for two apparent violations of the Iranian Transactions Regulations (“ITR”), 31 C.F.R. part 560.<sup>1</sup> The Office of Foreign Assets Control (“OFAC”) has determined that Bank of Guam did not voluntarily self-disclose the apparent violations and that the apparent violations constituted a non-egregious case.

On May 18, 2010, Bank of Guam originated a \$2,265 wire transfer on behalf of a customer, destined for a trading company in the United Arab Emirates. The payment was for delivery charges related to the shipment of furniture and other items to Iran. Another U.S. financial institution rejected the transaction due to a reference to Iran in the originator to beneficiary section of the payment message. The same customer resubmitted the payment on June 4, 2010, after consulting with a Bank of Guam employee who advised the customer to amend the payment message in a manner that removed the reference to Iran. The second payment was successfully processed. In both instances, it appears that Bank of Guam may have violated the prohibition against engaging “in any transaction...related to...goods, technology, or services for exportation, reexportation, sale or supply, directly or indirectly, to Iran or the Government of Iran,” 31 C.F.R. § 560.206 by originating the wire transfers.

The total base penalty amount for the apparent violations was \$20,000. 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: although mitigation was extended because Bank of Guam has not received a penalty notice or a Finding of Violation from OFAC in the five years preceding the date of the transactions giving rise to the apparent violations, the settlement amount reflects an aggravation to the base penalty because Bank of Guam staff acted recklessly by failing to exercise caution or care in processing a funds transfer after becoming aware of the purpose of the payment and actually instructed the bank's customer to resubmit the payment without a reference to Iran in the payment details thereby concealing the sanctioned interest in the transaction. Such conduct undermined the integrity of the U.S. sanctions program, prevented Bank of Guam's correspondent from assessing the permissibility of the payment, and could have resulted in significant sanctions harm. At the time, Bank of Guam employees apparently lacked an understanding of the bank's U.S. sanctions obligations.

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<sup>1</sup> Please note that on October 22, 2012, the ITR were renamed the Iranian Transactions and Sanctions Regulations and were reissued in their entirety.

## ENFORCEMENT INFORMATION FOR February 22, 2013

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 [www.treasury.gov/ofac/enforcement](http://www.treasury.gov/ofac/enforcement).

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

**Tung Tai Group Settles Potential Civil Liability for Alleged Violation of the Cuban Assets Control Regulations:** Tung Tai Group (“Tung Tai”), San Jose, CA, has agreed to pay \$43,875 to settle potential civil liability for an alleged violation of the Cuban Assets Control Regulations, 31 C.F.R. part 515 (the “CACR”). The alleged violation by Tung Tai occurred on or about August 8, 2010, when it entered into contracts to buy and sell Cuban-origin scrap metal. This matter was not voluntarily disclosed to OFAC and the alleged violation constitutes a non-egregious case. The base penalty amount for the alleged violation was \$65,000. 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: Tung Tai has no history of prior OFAC violations.

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