

## **ENFORCEMENT INFORMATION FOR April 25, 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)**

**Toyota Motor Credit Corporation Settles Potential Liability for Apparent Violations of the Foreign Narcotics Kingpin Sanctions Regulations:** Toyota Motor Credit Corporation (“TMCC”) has agreed to remit \$23,400 to settle potential civil liability for 26 apparent violations of the Foreign Narcotics Kingpin Sanctions Regulations, 31 C.F.R. part 598, all relating to one account. The Office of Foreign Assets Control (“OFAC”) has determined that TMCC did not voluntarily self-disclose the apparent violations and that the apparent violations constituted a non-egregious case.

Between April 6, 2008, and June 30, 2010, TMCC maintained a loan account for, and processed instead of blocked 26 loan payments totaling \$14,449 on behalf of, Claudia Aguirre Sanchez, whom OFAC designated as a Specially Designated Narcotics Trafficker pursuant to the Foreign Narcotics Kingpin Designation Act, 21 U.S.C. 1901 *et seq.* and added to the Specially Designated Nationals and Blocked Persons List on December 12, 2007.

The total base penalty amount for the apparent violations was \$26,000. 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. Mitigation was extended because TMCC 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 apparent violations processed by TMCC likely would have been licensed by OFAC under licensing policy existing at the time of the apparent violations; TMCC cooperated with OFAC throughout its investigation; and TMCC took appropriate remedial action in response to these apparent violations. Mitigation for these general factors was offset by the following aggravating factors in this case: From OFAC's perspective, TMCC's failure to conduct an adequate review of an alert warning of a possible OFAC violation for nearly one year constituted a reckless disregard for U.S. sanctions requirements. Moreover, an employee TMCC had placed in charge of OFAC compliance for its retail and lease portfolios, who was aware that the institution may have been maintaining an account for an SDNT, failed to exercise what OFAC considered to be a minimum degree of caution in avoiding the apparent violations by clearing the alert without appropriate investigation after being unable to locate the relevant TMCC customer file; TMCC is a commercially sophisticated financial institution; and TMCC's compliance program at the time of the apparent violations was not adequate to handle the company's volume of business.

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