

ENFORCEMENT INFORMATION FOR May 9, 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)

The American Steamship Owners Mutual Protection and Indemnity Association, Inc. Settles Potential Liability for Apparent Violations of Multiple Sanctions Programs: The American Steamship Owners Mutual Protection and Indemnity Association, Inc. (the "American Club"), a non-profit international marine mutual insurance association of merchant ship owners and charterers with its principal offices in New York, has agreed to remit \$348,000 to settle potential liability for 55 apparent violations of: the Cuban Assets Control Regulations ("CACR"), 31 C.F.R. part 515; the Sudanese Sanctions Regulations ("SSR"), 31 C.F.R. part 538; and the Iranian Transactions Regulations ("ITR"), 31 C.F.R. part 560.¹ The Office of Foreign Assets Control ("OFAC") has determined that the American Club did not voluntarily self-disclose the apparent violations. OFAC has also determined that the apparent violations constituted a non-egregious case.

The American Club processed three Protection and Indemnity ("P&I") insurance claims totaling approximately \$40,584 between January 19, 2004, and June 28, 2006, involving Cuba in apparent violation of the CACR. The base penalty amount for this set of apparent violations was \$61,000. The American Club processed 18 P&I insurance claims, issued six Letters of Undertaking/Guarantee ("LOU"), and issued one letter of indemnity as security or countersecurity for an LOU totaling approximately \$685,774.26 between November 15, 2003, and March 13, 2007, involving Sudan in apparent violation of the SSR. The base penalty amount for this set of apparent violations was \$844,000. The American Club processed 21 P&I insurance claims, one LOU, and issued five letters of indemnity as security or countersecurity for an LOU totaling \$488,453.65 between January 27, 2004, and August 8, 2006, involving Iran in apparent violation of the ITR. The base penalty amount for this set of apparent violations was \$824,000. The total base penalty amount for the apparent violations was \$1,729,000.

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: the American Club had actual knowledge or reason to know that some P&I claim activity and LOUs involved sanctioned countries; and the American Club is a sophisticated commercial entity. OFAC considered the following to be mitigating factors in this case: the American Club's conduct does not appear to have been willful or reckless; the P&I claims and LOUs constituting the apparent violations may have been licensable at the time the transactions occurred; the size of operations, financial condition, and other relevant factors

¹ On October 22, 2012, OFAC changed the heading of 31 C.F.R. part 560 from the Iranian Transactions Regulations to the Iranian Transactions and Sanctions Regulations ("ITSR"), amended the renamed ITSR, and reissued them in their entirety. See 77 Fed. Reg. 64,664 (Oct. 22, 2012).

related to the individual characteristics of the American Club; the American Club had not received a penalty notice or Finding of Violation from OFAC in the five years preceding the date of the transactions giving rise to the apparent violations; the American Club took appropriate remedial action following the apparent violations; and the American Club cooperated with OFAC, including by providing all information in a responsive, well-organized fashion, and by signing a tolling agreement and two extensions to that agreement.

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