

ENFORCEMENT INFORMATION FOR April 26, 2011

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 new Economic Sanctions Enforcement Guidelines. Although these new guidelines replace earlier enforcement guidelines published by OFAC, for certain matters that were in process at the time the new guidelines were published, the prior guidelines (which can be found at 68 *Fed. Reg.* 4422 and 71 *Fed. Reg.* 1971) are still applicable. Please see OFAC's Revised Interim Policy regarding use of the prior guidelines. The Revised Interim Policy, along with the new guidelines and copies of recent final Penalty Notices, can be found on OFAC's website at <http://www.treasury.gov/resource-center/sanctions/Pages/legal-index.aspx>

ENTITIES – 31 CFR 501.805(d)(1)(i)

HCC Insurance Holdings, Inc. Settles Iranian Transactions Regulations Allegations: HCC Insurance Holdings, Inc., Houston, TX (“HCC Holdings”), has paid \$38,448 to settle allegations of violations of the Iranian Transactions Regulations, 31 C.F.R. part 560 (the “ITR”), which were promulgated pursuant to, *inter alia*, the International Emergency Economic Powers Act and are administered by the Office of Foreign Assets Control (“OFAC”).

OFAC alleged that Houston Casualty Company, Houston, TX, (“HCC”), HCC Holdings’ wholly-owned insurance subsidiary, violated §§ 560.206 and 560.208 of the ITR when it participated in a specialty aviation insurance policy that covered commercial flight operations in Iran during the period April 2005 – April 2006. Specifically, HCC participated in the hull portion of a aircraft hull and liability insurance placement by a foreign insurance broker that insured a foreign-owned commercial airline that leased aircraft to an air charter company that operated in Iran.

The premium received by HCC for its participation in the aviation insurance policy totaled \$113,921. HCC voluntarily disclosed this matter to OFAC and the alleged violation constituted a non-egregious case. The base penalty amount for HCC’s alleged violation was \$56,960, the amount established by OFAC’s Economic Sanctions Enforcement Guidelines, 74 Fed. Reg. 57,593 (Nov. 9, 2009) (the “Guidelines”). The Guidelines authorize the adjustment of the base amount of the proposed civil penalty to reflect applicable General Factors. Each factor may be considered mitigating or aggravating, resulting in a lower or higher proposed penalty amount. The settlement amount reflects OFAC’s consideration of multiple factors including: the aviation insurance services provided by HCC are specialized and were harmful to the objectives of the Iranian sanctions program; HCC knew or had reason to know of the alleged violation because the terms of the insurance policy disclosed that some of the insured aircraft covered by the policy would be operated in Iran; HCC cooperated with OFAC in the investigation; and HCC has not been the subject of prior OFAC penalties or other OFAC administrative actions. HCC did not renew its participation in the policy and no longer provides insurance coverage for the air charter company that operated in Iran.

Robbins Instruments, Inc. Settles Iranian Transactions Regulations Allegations: Robbins Instruments, Inc. , Chatham, NJ (“Robbins”), agreed to remit \$37,080 to settle allegations of violations of the Iranian Transactions Regulations, 31 C.F.R. part 560, occurring between October 2005 and November 2009. OFAC alleged that Robbins exported, sold, and/or supplied medical equipment to one or more individuals in Iran without a license from OFAC. The alleged violations involved 13 separate transactions valued at \$37,029. OFAC determined that Robbins did not voluntarily self-disclose the matter to OFAC and that the alleged violations constituted a non-egregious case. The base penalty amount for the alleged violations totaled \$103,000. The settlement amount reflects OFAC’s consideration of the following General Factors: Robbins continued to engage in trade-related transactions involving Iran despite receiving notice of its apparent violation of Iran related sanctions, demonstrating recklessness; Robbins did not have a compliance program in place at the time of the apparent violations; Robbins had not previously been the subject of an OFAC enforcement action; the export of the medical equipment at issue likely would have been licensed by OFAC under existing licensing policy; Robbins cooperated with OFAC by agreeing to toll the statute of limitations.

INDIVIDUALS – 31 CFR 501.805(d)(1)(ii)

Individual Settles Sudanese Sanctions Violation Allegation: An individual from Houston, TX, has remitted \$112,500 to settle an apparent violation of the Sudanese Sanctions Regulations, 31 C.F.R. part 538, occurring on or about October 10, 2005. OFAC alleged the individual facilitated a trade-related transaction involving supplying jute bags to buyers in Sudan without an OFAC license. OFAC determined that the individual did not voluntarily disclose this matter to OFAC and that the apparent violation constituted a non-egregious case. The base penalty amount for the violation was \$250,000. The settlement amount reflects OFAC’s consideration of the following general factors: the individual had no history of sanctions violations and the individual cooperated with OFAC’s investigation of this matter, including by agreeing to toll the statute of limitations.

For more information regarding OFAC regulations, please go to:

<http://www.treasury.gov/resource-center/sanctions/Pages/legal-index.aspx>