

## **ENFORCEMENT INFORMATION FOR August 16, 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. 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/resource-center/sanctions/CivPen/Pages/civpen-index2.aspx>.**

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

**Norton Lilly International Assessed a Penalty for Violating the Iranian Transactions Regulations:** Norton Lilly International (“Norton”), Mobile, AL, has been assessed a penalty of \$18,750 for its violation of the Iranian Transactions Regulations, 31 C.F.R. part 560, that occurred in November 2006. Norton Lilly engaged in a transaction or dealing related to services of Iranian origin, and facilitated a transaction by a foreign person involving Iranian-origin services. In the transaction, Norton acted as a paying agent for a foreign entity, to pay port charges incurred at an Iranian port in the amount of \$14,936. OFAC determined that Norton did not voluntarily self-disclose the violation to OFAC and that the violation constituted a non-egregious case. The base penalty amount for the violation was \$25,000. The assessed penalty reflects OFAC's consideration of the following General Factors under OFAC's Economic Sanctions Enforcement Guidelines: Norton had knowledge or reason to know that the conduct, activity, or transaction giving rise to the violation involved port charges with respect to a ship calling in Iran; Norton did not have a compliance program in place at the time of the violation; Norton has instituted remedial measures by adopting procedures to comply with OFAC's regulations in the future; Norton cooperated with OFAC by promptly responding to OFAC's administrative subpoena and providing OFAC all relevant information regarding the violation; and Norton has not been subject to an OFAC enforcement action in the five years preceding the date of the violation.

**CMA CGM (America) LLC Settles Multiple Sanctions Program Allegations:** CMA CGM (America) LLC (“CCA”), Norfolk, VA, has remitted \$374,400 to settle allegations of violations of the Cuban Assets Control Regulations, 31 C.F.R. part 515, the Iranian Transactions Regulations, 31 C.F.R. part 560, and the Sudanese Sanctions Regulations, 31 C.F.R. part 538, occurring between approximately December 2004 and April 2008. OFAC alleged that CCA, a global container shipping company, facilitated the exportation of goods from foreign ports to Sudan on at least two occasions and, in 28 separate transactions, accepted payments for shipping services provided by its foreign parent company, CMA CGM, or its foreign affiliates, in connection with shipments between third countries and Cuba, Iran, or Sudan. The transactions involving the alleged violations were valued at approximately \$402,265. OFAC determined that CCA 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 \$640,000. The settlement amount reflects OFAC's consideration of the following General Factors under OFAC's Economic Sanctions Enforcement Guidelines: the alleged violations appear to have resulted from a pattern of conduct over a period of approximately three years;

given the size and scope of CCA's operations and the nature of its international business, it appears to have lacked an adequate compliance program to avoid U.S. sanctions violations; some of the goods exported from third countries to Cuba and Iran may have qualified as agricultural/medical products under the Trade Sanctions Reform and Export Enhancement Act of 2000 and, thus, may have been eligible for a license; CCA and CMA CGM have undertaken remediation to ensure that such alleged violations do not recur; CCA had not been the subject of OFAC penalties within the past five years; and CCA cooperated with OFAC throughout the investigation, including by requesting the cooperation of CMA CGM and its foreign affiliates in gathering relevant transaction data, and by agreeing to toll the statute of limitations.

**Société Générale, New York Settles Allegations of Violations of the Iranian Transactions**

**Regulations:** Société Générale New York Branch, New York, NY ("SGNY") has remitted \$111,359 to settle allegations of violations of the Iranian Transactions Regulations, 31 C.F.R. part 560 (the "Regulations") occurring on or about December 27, 2006, and on or about May 9, 2007. OFAC alleged that SGNY dealt in Iranian-origin services and/or facilitated transactions by a foreign person where the transactions by the foreign person would have been prohibited by the Regulations if performed by a United States person. Specifically, OFAC alleged that SGNY, as the issuing bank of two letters of credit between two non-sanctioned parties, processed two payments under those letters of credit involving the shipment of cargo transported aboard vessels owned and/or managed by the Islamic Republic of Iran Shipping Lines of Tehran, Iran, an Iranian entity. The value of the payments was \$329,954. SGNY voluntarily self-disclosed the alleged violations and OFAC has determined that the alleged violations constituted a non-egregious case. The base penalty amount for the alleged violations was \$164,977. The settlement amount reflects OFAC's consideration of the following General Factors under OFAC's Economic Sanctions Enforcement Guidelines: SGNY improved its compliance program in response to the apparent violations by enhancing its internal controls related to screening trade finance transactions, and provided additional training to staff involved in processing such transactions; SGNY cooperated with OFAC's investigation and resolution of this matter; and OFAC has not issued a penalty notice or Finding of Violation against SGNY in the five years preceding the transactions at issue.

**Heritage Turbines, Inc. Settles Sudanese Sanctions Violation Allegation:** Heritage Turbines, Inc., Hyannis, MA ("Heritage") has remitted \$4,500 to settle an alleged violation of the Sudanese Sanctions Regulations, 31 C.F.R. part 538, occurring on or about November 21, 2007. OFAC alleged that Heritage attempted to ship two fuel nozzle kits to Sudan without an OFAC license. The fuel nozzle kits were valued at a total of \$2,000. OFAC determined that Heritage did not voluntarily self-disclose this matter to OFAC and the alleged violation constituted a non-egregious case. The base penalty amount for the alleged violation totaled \$10,000. The settlement amount reflects OFAC's consideration of the following General Factors under OFAC's Economic Sanctions Enforcement Guidelines: Heritage had no history of sanctions violations and cooperated with OFAC's investigation of this matter.

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