

ENFORCEMENT INFORMATION FOR September 30, 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)

Flowserve Corporation Settles Apparent Violations of the Iranian Transactions Regulations, the Sudanese Sanctions Regulations, and the Cuban Assets Control Regulations: Flowserve Corporation (“Flowserve”) of Irving, TX, has agreed to remit \$502,408 to settle apparent violations of the Iranian Transactions Regulations, 31 C.F.R. part 560, the Sudanese Sanctions Regulations, 31 C.F.R. part 538, and the Cuban Assets Control Regulations, 31 C.F.R. part 515, occurring from on or about January 7, 2005 through on or about December 18, 2006. Flowserve made a disclosure to OFAC and the Department of Commerce’s Bureau of Industry and Security (“BIS”). Flowserve disclosed that: 1) its domestic and foreign affiliates engaged in unlicensed exports of pumps, valves, and related component parts and supplies from the United States indirectly to Iran; 2) its foreign affiliates engaged in unlicensed exports of pump components from the United States indirectly to Sudan; and 3) its foreign affiliates engaged in transactions involving property in which Cuba or a Cuban national had an interest. The relevant transactions involved a total value of \$2,148,328. OFAC determined that Flowserve voluntarily self-disclosed the apparent violations and that the apparent violations constituted a non-egregious case. The base penalty amount for the apparent violations totaled \$661,053. The settlement amount reflects OFAC’s consideration of the following General Factors under its Economic Sanctions Enforcement Guidelines: Several of the apparent violations reflected a reckless disregard for U.S. sanctions requirements and involved awareness by facility supervisors of the conduct giving rise to the apparent violations; and the apparent violations resulted in harm to U.S. sanctions program objectives. Additionally relevant, OFAC has not taken enforcement action against Flowserve in the five years preceding the transactions at issue; Flowserve substantially cooperated with OFAC’s investigation both by gathering relevant data from its foreign affiliates and by agreeing to toll the statute of limitations; and Flowserve instituted significant remedial measures, including implementing a “Market Withdrawal Program,” that will result in a company-wide cessation of business with sanctioned countries. Simultaneous with OFAC’s settlement, Flowserve has agreed to remit \$2.5 million to BIS to settle apparent violations of the Export Administration Regulations arising from the same course of conduct.

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