

## ENFORCEMENT INFORMATION FOR AUGUST 16, 2019

Information concerning the civil penalties process is discussed in OFAC regulations governing the various sanctions programs and in 31 C.F.R. 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 website at <http://www.treasury.gov/ofac/enforcement>.

### ENTITIES – 31 C.F.R. 501.805(d)(1)(i)

**Atradius Trade Credit Insurance, Inc. Settles Potential Liability for Apparent Violations of the Foreign Narcotics Kingpin Sanctions Regulations:** Atradius Trade Credit Insurance, Inc. (“ATCI”) of Hunt Valley, Maryland, a trade credit insurer licensed to operate in the state of Maryland, is a subsidiary of Atradius N.V. ATCI has agreed to remit \$345,315 to settle its potential civil liability for two apparent violations of the Foreign Narcotics Kingpin Sanctions Regulations, 31 C.F.R. Part 598. The Office of Foreign Assets Control (OFAC) has determined that ATCI did not make a voluntary self-disclosure of the Apparent Violations, and that these Apparent Violations constitute a non-egregious case. The total base penalty amount for the apparent violations was \$590,282.

On May 5, 2016, OFAC designated Grupo Wisa, S.A. (Grupo Wisa) and the Soho Mall Panama pursuant to the Foreign Narcotics Kingpin Designation Act, 21 U.S.C. §§ 1901-1908 (Kingpin Act) and added the entities to the List of Specially Designated Nationals and Blocked Persons (SDN List).

On October 19, 2016, approximately five months after Grupo Wisa's designation, a cosmetics company located in the United States assigned to ATCI the right to collect on a \$5,730,680.33 debt owed by Grupo Wisa. ATCI subsequently filed a claim in Panama as a creditor in the liquidation of Grupo Wisa, and on June 20, 2017, ATCI received a payment of \$4,043,174.25 from the liquidation of Grupo Wisa's assets in Panama. By accepting the assignment of the Grupo Wisa debt, and by receiving the payment from the Grupo Wisa liquidation, ATCI appears to have dealt in property or interests in property of a specially designated narcotics trafficker in violation of 31 C.F.R. § 598.203(a).

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 following were considered aggravating factors: ATCI did not undertake any meaningful analysis or otherwise seek confirmation from OFAC that assignment of the SDN's debt and acceptance of payment from the Soho Mall Trust was permissible under existing authorizations; and ATCI is a subsidiary of a sophisticated global trade credit insurance and collections conglomerate.

The following were considered mitigating factors: ATCI has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the earliest date of the transactions giving rise to the Apparent Violations; and ATCI voluntarily conducted a full internal review of the underlying facts and circumstances, provided documents from its internal review to OFAC in the course of the investigation, and took voluntary remedial action to address the cause of the Apparent Violations. ATCI also agreed to undertake certain compliance commitments to ensure that its OFAC sanctions compliance program remains strong over the next several years.

This enforcement action draws particular attention to transactions related to the assignment of an SDN's debt and highlights the importance of obtaining a specific license before engaging in activity that is not otherwise authorized.

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