



**U.S. DEPARTMENT OF THE TREASURY  
OFFICE OF FOREIGN ASSETS CONTROL**



**Enforcement Release: July 2, 2025**

**Key Holding, LLC Settles with OFAC for \$608,825 Related to Apparent Violations  
of Cuban Assets Control Regulations**

Key Holding, LLC, a privately held global logistics company based in Delaware, has agreed to pay \$608,825 to settle its potential civil liability for apparent violations of OFAC sanctions on Cuba. Between January 2022 and July 2023, Key Holding, LLC's Colombian subsidiary, then called Key Logistics Colombia S.A.S., managed the logistics for 36 freight shipments from Colombia to Cuba. The settlement amount reflects OFAC's determination that Key Holding, LLC's apparent violations were not egregious and were voluntarily self-disclosed, and further reflects the remedial measures implemented upon discovery of the apparent violations.

**Description of the Apparent Violations**

Key Logistics Colombia S.A.S. ("Key Colombia"), involved in brokering and supplying cargo transportation services, had operated in Colombia since its establishment in 2011. It was acquired by Key Holding, LLC ("Key Holding U.S.") in December 2021. Key Holding U.S. had no OFAC sanctions compliance program in place covering its non-U.S. subsidiaries, while Key Colombia lacked any such program itself.

Following the acquisition, between January 24, 2022 and July 31, 2023, Key Colombia managed the logistics for 36 freight shipments with a total value of \$3,056,264 to Cuba, from 13 suppliers in Colombia, Spain, China, and Panama. For each of the 36 transactions, Key Colombia arranged shipments from the suppliers to consignees in Cuba. Thirty-three of these shipments consisted of foodstuffs that were not eligible to be licensed by OFAC; three of the shipments were for safety-related oil well machinery components, towels, and electric forage choppers. The safety-related oil well machinery components were shipped via Comercial Cupet S.A., a company that is majority-owned by the Cuban government authorized to handle imports of oil machinery.

Key Holding U.S. learned of Key Colombia's shipments to Cuba in January 2024 when it was conducting due diligence for its pending sale (including its subsidiaries) to another U.S. company and was unaware that Key Colombia was providing services to customers shipping goods to Cuba. Likewise, Key Colombia's management was unaware that it was subject to the Cuban Assets Control Regulations (CACR), 31 C.F.R. part 515. As noted, neither Key Holding U.S. nor Key Colombia had a sanctions compliance program in place when the shipments to Cuba occurred.

Key Holding U.S., a person subject to U.S. jurisdiction under the CACR, acquired Key Colombia in December 2021, thereby making Key Colombia also a person subject to U.S. jurisdiction. Accordingly, Key Colombia's conduct resulted in 36 apparent violations of the CACR, § 515.201 (the "Apparent Violations").

Upon discovery of Key Colombia's shipments to Cuba, Key Holding U.S. ceased taking orders for shipments to Cuba and took action to address compliance deficiencies, including issuing its first trade sanctions and export control compliance policy, covering Key Holding U.S. and its

subsidiaries, on April 1, 2024, and implementing mandatory company-wide sanctions training on April 16, 2024. Around July 2, 2024, Key Colombia also adopted use of a platform that allowed for automatic continuous screening of each shipment for compliance with U.S. sanctions and export controls.

### **Penalty Calculations and General Factors Analysis**

The statutory maximum civil monetary penalty applicable in this matter is \$4,007,088. OFAC determined that Key Holding U.S. self-disclosed the Apparent Violations and that the Apparent Violations constitute a non-egregious case. Accordingly, under OFAC's Economic Sanctions Enforcement Guidelines ("Enforcement Guidelines"), 31 C.F.R. part 501, app. A, the base civil monetary penalty applicable in this matter equals the sum of one-half of the transaction value for each apparent violation, which is \$1,217,651.

The settlement amount of \$608,825 reflects OFAC's consideration of the General Factors under the Enforcement Guidelines.

OFAC determined the following to be **aggravating factors**:

- (1) Key Colombia and Key Holding U.S. failed to exercise due caution or care for their sanctions compliance obligations when Key Colombia continued to handle logistics for shipments from South America to Cuba, without addressing changes in its ownership structure that subjected Key Colombia to U.S. sanctions jurisdiction.
- (2) Key Colombia staff were aware of the shipments and related transactions at the time they occurred. Key Holding U.S. staff were not aware of the transactions until January 2024. Key Colombia knew, and Key Holding U.S. had reason to know, that the transactions were occurring.
- (3) Key Colombia's unlicensed shipments to Cuba caused harm to and undermined the CACR's objectives, the goal of which is to isolate the Cuban government and deprive it of resources.
- (4) Although not a large company, Key Holding U.S.'s business, as the immediate U.S.-based owner of Key Colombia and as an international freight forwarder with operations in Colombia, warranted extra care and attention to U.S. sanctions.

OFAC determined the following to be **mitigating factors**:

- (1) Neither Key Holding U.S., nor its subsidiaries, have 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.
- (2) The vast majority of the shipments were of benign consumer products.
- (3) Upon discovery of Key Colombia's shipments to Cuba, Key Holding U.S. ceased taking orders for shipments to Cuba and issued its first trade sanctions and export control

compliance policy. Key Holding U.S. also implemented mandatory company-wide sanctions training and adopted use of a platform that allows for automatic continuous screening of each shipment for compliance with U.S. sanctions and export controls.

- (4) In addition to voluntarily self-disclosing the apparent violations, Key Holding U.S. has been highly cooperative and responsive to OFAC's requests for information and documentation.

## **Compliance Considerations**

This case highlights the importance of ensuring that newly acquired subsidiaries, including entities organized outside the United States, are aware of and comply with their obligations under the CACR, which extends to entities owned or controlled by U.S. persons, such as foreign subsidiaries. Because the CACR extends to foreign subsidiaries, their business activity, including as related to exports from third countries, may nonetheless be subject to U.S. jurisdiction.

To help prevent sanctions violations, companies should consider implementing systems and escalation protocols to ensure the careful review of all shipping documents such as air waybills, bills of lading, and certificates of origin. Moreover, employee trainings and education that provide employees guidance on the applicability of U.S. sanctions regulations are essential to an effective sanctions compliance program. U.S. persons are also encouraged to evaluate the sanctions risk associated with newly acquired foreign subsidiaries and ensure that those subsidiaries adopt and maintain the compliance controls necessary to mitigate any such risk.

## **OFAC Enforcement and Compliance Resources**

On May 2, 2019, OFAC published [A Framework for OFAC Compliance Commitments](#) in order to provide organizations subject to U.S. jurisdiction, as well as foreign entities that conduct business in or with the United States or U.S. persons, or that use goods or services exported from the United States, with OFAC's perspective on the essential components of a sanctions compliance program. The *Framework* also outlines how OFAC may incorporate these components into its evaluation of apparent violations and resolution of investigations resulting in settlements. The *Framework* includes an appendix that offers a brief analysis of some of the root causes of apparent violations of U.S. economic and trade sanctions programs OFAC has identified during its investigative process.

OFAC makes available on its website a variety of resources designed to assist with sanctions implementation and compliance, including [industry-specific guidance](#), [instructive videos](#), [answers to frequently asked questions](#), and [tools for searching OFAC's sanctions lists](#).

Information concerning the civil penalties process can be found in the OFAC regulations governing each sanctions program; the Reporting, Procedures, and Penalties Regulations, 31 C.F.R. part 501; and the Enforcement Guidelines. These references, as well as recent civil penalties and enforcement information, can be found on OFAC's website at <https://ofac.treasury.gov/civil-penalties-and-enforcement-information>.

## **Whistleblower Program**

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) maintains a whistleblower incentive program for violations of OFAC-administered sanctions, in addition to other violations of the International Emergency Economic Powers Act and violations of the Bank Secrecy Act. Individuals located in the United States or abroad who provide information may be eligible for awards, if the information they provide leads to a successful enforcement action that results in monetary penalties exceeding \$1,000,000 and the statutory requirements in 31 U.S.C. 5323 are otherwise met. The incentive program is available for whistleblowers providing information relating to potential violations at any type of enterprise in any commercial sector. FinCEN is currently accepting whistleblower tips.

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