**Enforcement Release: September 10, 2026**

**An Individual Settles with OFAC for $1,427,230**
**Related to Apparent Violations of Iran-related Sanctions Regulations**

A natural U.S. person ("U.S. Person-1") has agreed to pay $1,427,230 to settle their potential civil liability for 39 apparent violations of OFAC sanctions on Iran. Between June 26, 2019 and July 7, 2021, U.S. Person-1 provided management consulting and advisory services to one of Iran's leading software solutions companies, received Iranian-origin dividends to their U.S. bank accounts, and acquired real property in Iran. The settlement amount reflects OFAC's determination that the apparent violations were not voluntarily self-disclosed and were egregious. OFAC's investigation and resolution of this matter was in cooperation with the Federal Bureau of Investigation, Los Angeles Field Office, Orange County Resident Agency.

**Description of the Apparent Violations**

In 1987, while living in Iran, U.S. Person-1 co-founded Iranian Company-1, an Iranian software solutions company. After Iranian Company-1 became a publicly listed company in Iran in 2011, U.S. Person-1 co-founded Iranian Company-2, an Iran-incorporated holding company, to maintain U.S. Person-1's ownership interest in Iranian Company-1.

As of 2026, Iranian Company-1 has grown to become one of Iran's leading software solutions companies, providing financial, administrative, human resources, logistics, and management software for critical industries in the Iranian economy, including the petrochemical, pharmaceutical, construction, and agricultural sectors, as well as government agencies, universities, research centers, and state-owned enterprises.

Over many years, U.S. Person-1 maintained their connections to the companies. Between July 10, 2019 and October 23, 2020, U.S. Person-1 provided management consulting and advisory services to Iranian Company-1 or Iranian Company-2 by actively participating in 19 virtual meetings with senior Iranian Company-1 or Iranian Company-2 personnel to discuss company matters. Participants in these meetings, including U.S. Person-1, discussed corporate transactions, asset management, sales, marketing, accounting, human resources, corporate governance, and overall company strategy. For some of the meetings, U.S. Person-1 drafted the agenda. The other participants in the meetings included Iranian Company-1 directors and officers, including the Chief Executive Officer of Iranian Company-1 who co-founded Iranian Company-1 with U.S. Person-1, the Chairman of Iranian Company-1's Board of Directors, and an Iranian Company-1 employee who served as Secretary of the Board of Directors. During these meetings, U.S. Person-1 provided substantive advice, analysis, and information.

Separately, between June 26, 2019 and August 28, 2020, on 16 occasions, U.S. Person-1 arranged for their Iranian-origin dividend payments from Iranian Company-1 or Iranian Company-2 to be deposited into U.S. financial institutions via wire transfers. These wire transfers, which transited through banks in third countries such as Türkiye, the United Arab

Emirates, and Singapore, were ultimately paid into U.S.-based bank accounts held in U.S. Person-1's name. In total, U.S. Person-1 received $713,615 in dividend payments.

Additionally, in or after 2021, U.S. Person-1 purchased four real estate properties in Iran for the benefit of relatives residing there with the proceeds of other dividend payments. U.S. Person-1 later abandoned their ownership interest in Iranian Company-1 or Iranian Company-2 in 2022.

Throughout the relevant time period, U.S. Person-1 was aware of U.S. sanctions on Iran. In 2000, while serving as an executive at Iranian Company-1 in Iran, U.S. Person-1 co-authored an article in a leading newspaper about Iran's digital revolution and the challenges of the Iran sanctions program to Iran's information technology sector.

U.S. Person-1 received an administrative subpoena from OFAC in January 2025. U.S. Person-1's response was initially incomplete. In July 2025, OFAC issued a second administrative subpoena to U.S. Person-1, citing deficient responses to the first administrative subpoena. U.S. Person-1 subsequently provided a complete response.

In engaging in the conduct described above, U.S. Person-1: (1) provided management consulting and advisory services to Iran on 19 occasions; (2) caused U.S. financial institutions to indirectly export financial services to Iran by processing Iranian-origin dividends on 16 occasions; and (3) purchased real property in Iran with the Iranian-origin dividends on four occasions, in apparent violation of sections 560.203, 560.204, and 560.207 of the Iranian Transactions and Sanctions Regulations (ITSR) (the "Apparent Violations"), respectively.

**Penalty Calculations and General Factor Analysis**

OFAC determined that U.S. Person-1 did not voluntarily self-disclose the Apparent Violations and that the Apparent Violations constitute an egregious case. Accordingly, under OFAC's Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, Appendix A ("Enforcement Guidelines"), the base civil monetary penalty applicable in this matter equals the applicable schedule amount, which is $14,730,300.

The settlement amount of **$1,427,230** reflects OFAC's consideration of the General Factors under the Enforcement Guidelines.

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

(1) U.S. Person-1 willfully violated U.S. sanctions. U.S. Person-1 knew that Iran was subject to sanctions and that U.S. Person-1's activities in Iran were prohibited. Despite this awareness, U.S. Person-1 held a significant ownership interest in Iranian Company-1 and Iranian Company-2 and provided management consulting and advisory services in furtherance of the companies' Iranian operations after becoming a U.S. Lawful Permanent Resident. U.S. Person-1 also engaged in financial and commercial activity in Iran while in the United States. In doing so, U.S. Person-1 engaged in a multi-year pattern of violative conduct.

(2) By virtue of their participation, U.S. Person-1 had actual knowledge that they were providing management consulting and advisory services to firms organized and located in Iran. Furthermore, as a co-founder of Iranian Company-1, U.S. Person-1 had actual knowledge that their participation related to services being rendered within Iran. Similarly, U.S. Person-1 had actual knowledge that dividends received were of Iranian-origin, including the funds ultimately paid into U.S. bank accounts or used to purchase real property in Iran.

(3) In providing these services, U.S. Person-1 undermined the objectives of U.S. sanctions on Iran by conferring economic benefits to Iran's largest software solutions company, and indirectly, to a wide array of other private and public sector entities served by Iranian Company-1. Significantly, Iranian Company-1's integrated software solutions have provided enterprise resource planning support solutions to assist national and regional governmental entities, universities, research centers, and state-owned enterprises.

(4) U.S. Person-1 is a sophisticated businessperson who spent decades working in Iran's information technology sector. U.S. Person-1 was also aware of the impact of U.S. sanctions on Iran's information technology sector.

(5) U.S. Person-1's cooperation was initially unsatisfactory. Only after OFAC issued a second subpoena did U.S. Person-1 adequately cooperate and respond to OFAC's questions.

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

(1) U.S. Person-1, a natural person, has not been the subject of any OFAC enforcement action in the five years preceding the earliest date of the transactions giving rise to the Apparent Violations.

(2) U.S. Person-1 stopped the violative activity prior to receiving OFAC's administrative subpoena and abandoned their shares in the Iranian companies years before learning of OFAC's investigation.

(3) OFAC considered U.S. Person-1's inability to pay a larger settlement amount, as demonstrated to OFAC's satisfaction through extensive and detailed substantiating documentation.

**Compliance Considerations**

This case highlights that OFAC's prohibitions apply to all U.S. persons, including U.S. Lawful Permanent Residents. As is the case in most OFAC sanctions programs, OFAC's Iran sanctions program defines a U.S. person to include any U.S. citizen or permanent resident, wherever located.[1] Upon moving to the United States, U.S. Person-1 became subject to the same compliance obligations as other U.S. persons.

[1] 31 C.F.R. § 560.314 (defining "United States person; U.S. person").

Additionally, this case also highlights the risks associated with maintaining business relationships with persons in Iran. OFAC's prohibitions on Iran are broad and generally bar any direct or indirect dealings, including the provision or receipt of personal services. Unless licensed by OFAC, U.S. persons that help manage the affairs of a commercial entity in Iran or other jurisdiction subject to sanctions are almost certain to violate sanctions.

Finally, this case illustrates the importance of cooperating promptly and fully with OFAC's investigations. As part of its analysis under the General Factors, OFAC considers the nature and extent of a subject's cooperation when considering how to resolve an investigation and the size of any potential penalty or settlement. Timely and fulsome cooperation demonstrates that an investigative subject understands the seriousness of their sanctions compliance obligations. It also saves OFAC critical time and resources by allowing the office to complete its investigation efficiently. Failure to cooperate in a manner that is complete and satisfactory not only risks foregoing mitigation credit for cooperation, but can also risk standalone penalties under OFAC's Reporting, Procedures and Penalties Regulations.[2]

**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 Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, app. A. 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.

**Sanctions 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

[2] *See* 31 C.F.R. part 501.

information about sanctions violations 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. The incentive program is available for whistleblowers providing information relating to potential violations in any commercial sector.

For more information regarding OFAC regulations, please visit: https://ofac.treasury.gov.