

ENFORCEMENT INFORMATION FOR FEBRUARY 21, 2013

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 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 www.treasury.gov/ofac/enforcement.

ENTITIES – 31 CFR 501.805(d)(1)(i)

American Optisurgical, Inc. Settles Potential Civil Liability for Alleged Violations of the Iranian Transactions and Sanctions Regulations and the Reporting, Procedures and Penalties Regulations: American Optisurgical, Inc. (“AOI”), Lake Forest, CA, a U.S. medical supply company, has agreed to pay \$404,100 to settle potential civil liability for alleged violations of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (the “ITSR”),¹ and the Reporting, Procedures and Penalties Regulations, 31 C.F.R. part 501 (the “RPPR”), from 2005 to 2010. Specifically, OFAC alleged that from on or about May 17, 2005, to on or about April 15, 2010, AOI violated the ITSR on 36 occasions when it exported, or attempted to export, unlicensed medical goods and services to Iran, or to a person in a third country with knowledge or reason to know that the medical goods and services were intended for supply, transshipment, or reexportation to Iran; and when it engaged in transactions and dealings related to goods and/or services for exportation to Iran. In addition, OFAC alleged that on July 30, 2009, and December 10, 2009, AOI violated the RPPR when it failed to fully respond to two Administrative Subpoenas issued to AOI by OFAC. The alleged violations involved 36 transactions valued at \$202,765.

OFAC determined that AOI 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 \$449,000.

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: AOI's alleged violations of the ITSR resulted from willful or reckless conduct; AOI's senior management was directly involved in the willful or reckless conduct; AOI actively participated in concealing the ultimate destination of its exports to Iran; AOI continued to export unlicensed medical goods to Iran even after having received two Administrative Subpoenas from OFAC regarding its conduct; AOI is a commercially sophisticated entity; AOI has not been the subject of prior OFAC enforcement action; the exports at issue likely would have been licensed by OFAC under existing licensing policy; and, AOI agreed to toll the statute of limitations.

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

¹ On October 22, 2012, OFAC changed the heading of 31 C.F.R. part 560 from the Iranian Transactions Regulations to the Iranian Transactions and Sanctions Regulations (“ITSR”), amended the renamed ITSR, and reissued them in their entirety. See 77 Fed. Reg. 64,664 (Oct. 22, 2012). For the sake of clarity, all references herein to the ITSR shall mean the regulations in 31 C.F.R. part 560 in effect at the time of the activity, regardless of whether such activity occurred before or after the regulations were renamed.