## **ENFORCEMENT INFORMATION FOR JANUARY 21, 2020**

Information concerning the civil penalties process can be found in the Office of Foreign Assets Control (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 final civil penalties and enforcement information, can be found on OFAC's Web site at <u>www.treasury.gov/ofac/enforcement</u>.

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

**Park Strategies, LLC Settles Potential Civil Liability for Apparent Violations of the Global Terrorism Sanctions Regulations:** Park Strategies, LLC ("Park Strategies"), a lobbying firm located in New York, New York, has paid \$12,150 to settle its potential civil liability for Apparent Violations of the Global Terrorism Sanctions Regulations, 31 C.F.R. part 594 (GTSR). Specifically, from on or about August 25, 2017 to on or about November 25, 2017, Park Strategies appears to have violated § 594.201 of the GTSR when it dealt in the property or interests in property of Al-Barakaat Group of Companies Somalia Limited ("Al-Barakaat"), a Specially Designated Global Terrorist ("SDGT"), when Park Strategies signed a contract with Al-Barakaat and subsequently received payment for its services from Al-Barakaat (the "Apparent Violations"). The contract terms called for Park Strategies to provide lobbying services for Al-Barakaat, which were outside the scope of generally authorized activities under the GTSR, including the GTSR general license for legal services. Park Strategies' executives had actual knowledge of Al-Barakaat's SDGT status and actively participated in the signing of the contract.

During the time period in which the Apparent Violations occurred, Park Strategies marketed itself as a consulting and government relations firm that provides strategic advisory, consulting, and lobbying services in the areas of federal, state, and local government relations, regulatory affairs, business development, foreign marketplaces, and management and administrative support for trade and industry organizations. Park Strategies was not a law firm at the time of the Apparent Violations.

Park Strategies' Executive Vice President and Managing Director signed a binding contract, dated August 25, 2017, entitled "Authorization of Lobbying Services" that authorized Park Strategies "to engage in lobbying activity before the administrative, executive, and legislative branches of the United States government, and its political subdivisions during the effective term of this Agreement" for, and on behalf of, Al-Barakaat. The terms of the contract stipulated that Park Strategies would receive three separate payments of \$10,000 from Al-Barakaat on the first of each month for a period of three months, totaling \$30,000.

Following the execution of the contract, a person acting on behalf of Al-Barakaat sent Park Strategies the first payment of \$10,000 on September 6, 2017, after which Park Strategies began performing services under the contract. On October 12, 2017, Park Strategies contacted its financial institution to request that the September 6 payment be placed in a blocked account,

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directed its external counsel to commence an investigation, suspended any performance under the contract, and voluntarily disclosed the potential violations to OFAC.

The statutory maximum civil monetary penalty applicable in this matter is \$302,584. OFAC determined, however, that Park Strategies voluntarily 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"), the base civil monetary penalty amount applicable in this matter is \$15,000 (half of the \$30,000 contract value).

The settlement amount reflects OFAC's consideration of the General Factors under the Enforcement Guidelines. Specifically, OFAC determined the following to be aggravating factors:

(1) Park Strategies' executives had actual knowledge of, and participated in, the conduct that led to the Apparent Violations; and

(2) Park Strategies caused harm to the integrity of the GTSR by dealing in the property and interests in property of an SDGT designated for its terrorist financing operations.

OFAC determined the following to be mitigating factors:

(1) Park Strategies has not received a penalty notice or finding of violation from OFAC in the five years preceding the transaction giving rise to the Apparent Violations; and

(2) Park Strategies took remedial measures by suspending future performance on the contract with Al-Barakaat, by placing the funds in a blocked account, and adopting new OFAC screening procedures prior to entering into contracts with potential clients.

This enforcement action highlights important sanctions compliance considerations for attorneys, law firms, and legal services organizations seeking to represent blocked persons as clients. Most sanctions programs administered by OFAC have general licenses authorizing the provision of certain enumerated legal services to persons blocked pursuant to those sanctions programs. The provision to blocked persons of legal services not enumerated in such general licenses requires a specific license from OFAC. Other related professional services such as lobbying, public relations, government affairs, consulting, and business development are not legal services, and are generally not covered by general licenses authorizing the provision of legal services to blocked persons. In addition, attorneys, law firms, or legal services organizations engaged in the practice of law (or persons acting on their behalf) cannot avail themselves of the authorizations contained in general or specific licenses authorizing the provision of legal services to blocked person when engaging in activities that do not fall within the scope of generally or specifically licensed legal services. Moreover, attorneys, law firms, and legal services organizations should exercise caution and care regarding their sanctions obligations before knowingly engaging with blocked persons.

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As noted in <u>OFAC's Framework for Compliance Commitments</u>, misinterpreting, or failing to understand the applicability of, OFAC's regulations, including general licenses, has previously caused organizations to commit sanctions violations. U.S. persons can mitigate sanctions risk by exercising caution when representing individuals or entities identified on OFAC's SDN List by understanding the full scope and applicability of authorizations as they relate to the prohibitions of the GTSR and other sanctions programs.

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