

What happens if I violate Export Control in the US – 11 March 2014

ST&R Trade Report: "\$504,225 Penalty for Illegal Transshipments to Iran"

(Source: <http://www.strtrade.com/news-publications-Iran-sanctions-violations-penalty-031014.html>)

The Treasury Department's Office of Foreign Assets Control announced March 6 that a California company has agreed to pay \$504,225 to settle potential civil liability for apparent violations of the Iranian Transactions and Sanctions Regulations. OFAC states that this company granted a distributor in the United Arab Emirates exclusive rights to distribute its products (goods for broadband wireless connectivity) to Iran and subsequently sold to that distributor and exported or shipped to the UAE goods that were reexported to Iran. The company also engaged in 13 exports of such goods to a distributor in Greece with knowledge or reason to know that those goods were intended specifically for supply, transshipment or reexportation, directly or indirectly, to Iran.

The base penalty for the apparent violations was \$560,250. OFAC finds that the company demonstrated reckless disregard for U.S. sanction requirements, was on notice in February 2010 that the conduct at issue constituted a violation of U.S. law, engaged in a pattern of conduct over five years that resulted in several apparent violations, had no OFAC compliance program in place at the time of the apparent violations, and did not voluntarily disclose the apparent violations. On the other hand, the company has no prior sanctions history, cooperated with OFAC during its investigation, and took remedial action, and OFAC determined that the conduct at issue constitutes a non-egregious case.