

ENFORCEMENT INFORMATION FOR August 22, 2012

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 <http://www.treasury.gov/resource-center/sanctions/CivPen/Pages/civpen-index2.aspx>.

ENTITIES – 31 CFR 501.805(d)(1)(i)

Grand Resources USA, Inc. (d/b/a GR-Duratech Texas, Inc.) Assessed a Penalty for Violating the Iranian Transactions Regulations and the Weapons of Mass Destruction Proliferators Sanctions Regulations: Grand Resources USA, Inc. ("GR-Duratech"), Houston, TX, has been assessed a penalty of \$402,000 for violating the Iranian Transactions Regulations ("ITR"), 31 C.F.R. part 560, in 2005 and 2009, and for violating the Weapons of Mass Destruction Proliferators Sanctions Regulations ("WMDPSR"), 31 C.F.R. part 544, in 2009.

In 2005, GR-Duratech negotiated a sale of graphitized petroleum coke to a company in the United Arab Emirates, with knowledge that the goods were for delivery to Bandar Abbas, Iran. After negotiating the terms of the sale and the related letter of credit, GR-Duratech referred the sale to its parent company, Grand Resources Co., Ltd. ("Grand Resources"), in Beijing, China, and later received a commission payment from Grand Resources for the sale. From July 2009 to August 2009, GR-Duratech dealt in property in which the Islamic Republic of Iran Shipping Lines ("IRISL") had an interest, and engaged in transactions or dealings in or related to services of Iranian origin, when GR-Duratech was involved in the shipment of cargo aboard the blocked vessel "Sabalan," a vessel in which IRISL had an interest, and presented trade documents related to the shipment to its bank for payment pursuant to a letter of credit referencing the blocked vessel. GR-Duratech also engaged in transactions that resulted in the removal of references to Iran and an Iranian entity from the trade documents associated with the shipment. In September 2009, GR-Duratech dealt in property in which IRISL had an interest by transferring the trade documents related to the shipment to its customer in Turkey without OFAC's authorization.

GR-Duratech did not voluntarily self-disclose the violations to OFAC. OFAC concluded that the 2005 ITR violation was a non-egregious case, but that the 2009 violations of the ITR and WMDPSR were an egregious case, in light of the company's willful concealment and evasion involving GR-Duratech's senior-level management. The base penalty amount for the violations totaled \$670,000.

The assessed penalty 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: GR-Duratech demonstrated reckless disregard for sanctions regulations at the time of the 2005 ITR violation; GR-Duratech knew, prior to the conduct leading to the 2009 violations, that dealings with Iran were prohibited; GR-Duratech willfully attempted to

evade U.S. sanctions laws in 2009 by concealing the transactions' relationship to Iran in documents that GR-Duratech presented for payment; senior-level management had knowledge of the conduct that gave rise to the violations in 2009; GR-Duratech cooperated with OFAC's investigation, including by agreeing to toll the statute of limitations; and GR-Duratech has not been the subject of an OFAC enforcement action in the five years preceding the transactions at issue. For a copy of OFAC's Penalty Notice issued to GR-Duratech, *please visit the following url*: http://www.treasury.gov/resource-center/sanctions/CivPen/Documents/08222012_pn.pdf

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