

## ENFORCEMENT INFORMATION FOR September 6, 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 new 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)

**Communications and Power Industries LLC Settles Potential Civil Liability for Apparent Violations of Iranian Transactions and Sanctions Regulations:** Communications and Power Industries LLC (“CPI”), Palo Alto, CA, has agreed to pay \$346,530 to settle potential civil liability for apparent violations of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (the “Regulations”),<sup>1</sup> occurring on or about March 31, 2006, to on or about October 22, 2010. The Switzerland branch office of CPI's U.S. subsidiary, Communications and Power Industries International Inc., sold, on 30 occasions, x-ray generators to an entity in Tehran, Iran; attempted to sell, on two occasions, x-ray generators and a medical digital imaging workstation to an entity in Tehran, Iran; at the request of an entity in Tehran, Iran, directed its affiliate in Canada, Communications & Power Industries Canada Inc. (“CPI Canada”), to make three shipments of x-ray generators and one shipment of automatic exposure control field kits to an entity in Istanbul, Turkey; and referred to CPI Canada an order that it had received from an entity in Tehran, Iran for a medical digital imaging workstation and one x-ray generator.

The base penalty amount for the apparent violations was \$1,100,096. OFAC determined that CPI voluntarily self-disclosed this matter to OFAC and that the apparent violations constitute a non-egregious case.

This 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: CPI's delay in assessing the applicability of U.S. sanctions laws to the Switzerland branch office of its subsidiary demonstrated a reckless disregard of these laws; CPI lacked an adequate risk-based OFAC compliance program at the time of the apparent violations; upon discovering the apparent violations, CPI, with the support of its senior management, undertook a thorough investigation and implemented significant remedial measures; CPI has no history of prior OFAC violations; the apparent violations represent a very small percentage of CPI's overall sales; the exports at issue likely would have been licensed by OFAC under existing

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<sup>1</sup> 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.

licensing policy; and CPI cooperated with OFAC by executing a tolling agreement and one extension of that tolling agreement.

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