

## **ENFORCEMENT INFORMATION FOR DECEMBER 11, 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 <http://www.treasury.gov/ofac/enforcement>.**

### **ENTITIES – 31 CFR 501.805(d)(1)(i)**

**Royal Bank of Scotland plc Settles Potential Civil Liability for Apparent Violations of Multiple Sanctions Programs:** The Royal Bank of Scotland plc (“RBS”) has agreed to settle potential civil liability for apparent violations of: the Cuban Assets Control Regulations (“CACR”), 31 C.F.R. part 515; the Burmese Sanctions Regulations (“BSR”), 31 C.F.R. part 537, Executive Order 13448 of October 18, 2007 (“E.O. 13448”), and/or the Tom Lantos Block Burmese JADE (Junta’s Anti-Democratic Efforts) Act of 2008 (Pub. L. 110-286) (“JADE Act”); the Sudanese Sanctions Regulations (“SSR”), 31 C.F.R. part 538; and the Iranian Transactions Regulations (“ITR”),<sup>1</sup> 31 C.F.R. part 560. RBS’ settlement with the Office of Foreign Assets Control (“OFAC”) is part of a global settlement involving RBS, OFAC, the Federal Reserve Board of Governors, and the Department of Financial Services of the State of New York. The bank agreed to pay \$33,122,307 to settle its potential civil liability with OFAC for the apparent violations of OFAC regulations, which OFAC determined were egregious. This obligation will be deemed satisfied by payment of an equal or greater amount in satisfaction of penalties by the Federal Reserve Board of Governors arising out of the same pattern of conduct.

RBS processed 24 wire transfers totaling approximately \$290,206 between August 19, 2005, and October 16, 2009, involving Cuba in apparent violation of the CACR. The total base penalty for this set of apparent violations was \$780,000. RBS processed 46 wire transfers totaling approximately \$375,946 between July 22, 2005, and July 9, 2009, involving Burma in apparent violation of the BSR, E.O. 13448, and/or the JADE Act. The total base penalty for this set of apparent violations was \$5,769,308. RBS processed 326 wire transfers totaling \$32,469,380 between July 1, 2005, and August 12, 2009, involving Sudan in apparent violation of the SSR. The total base penalty for this set of apparent violations was \$54,860,306. RBS processed 38 wire transfers totaling approximately \$795,345 between September 6, 2005, and November 6, 2009, involving Iran in apparent violation of the ITR. The total base penalty for this set of apparent violations was \$4,835,000.

RBS voluntarily self-disclosed all of these apparent violations under the terms of OFAC’s Economic Sanctions Enforcement Guidelines (“the Guidelines”). The statutory maximum penalty in this case was \$132,489,228. The total base penalty amount under the Guidelines for all apparent violations was \$66,244,614.

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<sup>1</sup> Please note that on October 22, 2012, the ITR were renamed the Iranian Transactions and Sanctions Regulations and were reissued in their entirety.

In reaching its determination that the above-referenced apparent violations were egregious, OFAC assessed that RBS' conduct was reckless; several members of RBS management responsible for managing and/or overseeing operations in the bank's Global Correspondent Banking and Payment Operations units were aware of the conduct that led to the apparent violations; the apparent violations conferred significant benefit to persons subject to U.S. sanctions; RBS is a large, commercially-sophisticated global financial institution; RBS did not maintain adequate policies or procedures to ensure compliance with the sanctions programs administered by OFAC; and any civil penalty should be commensurate with the seriousness of RBS' conduct in order to achieve maximum future compliance effect and deter similarly situated financial institutions. Mitigation was extended because RBS has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the earliest date of the transactions giving rise to the apparent violations; RBS provided substantial cooperation to OFAC; and RBS took remedial action in response to the matters described above. OFAC further reduced the proposed penalty in light of RBS' agreement to settle its potential liability for the apparent violations.

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