

ENFORCEMENT INFORMATION FOR June 28, 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)

Intesa Sanpaolo S.p.A. Settles Potential Civil Liability for Apparent Violations of Multiple Sanctions Programs: Intesa Sanpaolo S.p.A. (“Intesa”) has agreed to remit \$2,949,030 to settle potential civil liability for apparent violations of the Cuban Assets Control Regulations (“CACR”), 31 C.F.R. part 515; the Sudanese Sanctions Regulations (“SSR”), 31 C.F.R. part 538; and the Iranian Transactions Regulations (“ITR”), 31 C.F.R. part 560.¹ The Office of Foreign Assets Control (“OFAC”) has determined that Intesa did not voluntarily self-disclose the apparent violations and that the apparent violations constituted a non-egregious case.

As early as the late 1990s, Intesa maintained a customer relationship with Irasco S.r.l. (“Irasco”), an Italian company headquartered in Genoa, Italy that is owned or controlled by the Government of Iran (“GOI”). Despite Irasco's ownership and line of business as an exporter of goods to Iran, and its financial and commercial associations with Iranian state-owned financial institutions, companies, and projects, Intesa failed to identify Irasco as meeting the definition of the GOI in the ITR and, at the time of the apparent violations, did not take appropriate measures to prevent the bank from processing transactions for or on behalf of Irasco that terminated in the United States and/or with U.S. persons. Intesa's payment instructions for these transactions all identified Irasco as the ordering customer.

Separately, Intesa processed approximately 120 transactions to or through the United States that involved Cuba or Sudan. Intesa does not appear to have implemented or utilized special procedures or payment practices in order to process these payments to or through the United States.

Intesa processed 53 wire transfers totaling approximately \$1,643,326 between October 29, 2004, and March 12, 2008, involving Cuba in apparent violation of the CACR. The base penalty amount for this set of apparent violations was \$1,867,000. Intesa processed 31 wire transfers for Irasco totaling \$3,142,565 between November 1, 2004, and December 8, 2006, in apparent violation of the ITR. The total base penalty for this set of apparent violations was \$3,371,000. Intesa processed 67 funds transfers involving Sudan totaling \$2,858,065 between November 4, 2004, and October 29, 2007, in apparent violation of the SSR. The total base penalty for this set of apparent violations was \$4,124,000.

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

The total base penalty amount for the apparent violations was \$9,362,000. The 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: Intesa had reason to know that one of its customers met the definition of the GOI in the ITR and that payments which terminated in the United States for this customer constituted apparent violations of the ITR; Intesa's conduct resulted in harm to the integrity of U.S. economic sanctions programs; Intesa is a commercially sophisticated international financial institution; and Intesa did not, at the time of the apparent violations, maintain an adequate program to ensure that it was in compliance with U.S. economic sanctions. Substantial mitigation was provided to Intesa due to the following factors: OFAC concluded that the apparent violations did not constitute a willful or reckless violation of the law; OFAC also determined that no Intesa managers or supervisors had actual knowledge or awareness of these matters within the meaning of the Guidelines; Intesa provided substantial cooperation to OFAC, including signing a tolling agreement and multiple extensions; Intesa took remedial action in response to the apparent violations and now has a more robust compliance program in place; and Intesa has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the date of the transactions giving rise to the apparent violations.

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