

ENFORCEMENT INFORMATION FOR AUGUST 13, 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)

VISA International Service Association Receives a Finding of Violation Regarding Violations of the Reporting, Procedures and Penalties Regulations: The U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") has issued a Finding of Violation to VISA International Service Association ("VISA") for violations of the Reporting, Procedures and Penalties Regulations (the "RPPR"), 31 C.F.R. part 501.

On November 9, 2007, VISA violated § 501.603(b)(1) of the RPPR when it failed to file two initial reports of blocked property with OFAC within 10 business days of blocking two accounts in which Bank Melli had an interest. Bank Melli is an entity whose assets are blocked pursuant to Executive Order 13382 of June 28, 2005, "Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters." On October 1, 2008, VISA violated § 501.603(b)(2) of the RPPR when it failed to file its 2008 annual report of blocked property in connection with the Bank Melli accounts.¹ While VISA appears to have had written procedures with respect to filing reports of blocked property, it only disclosed these blockings in 2009 and stated that the violations were due to an inadvertent oversight.

Separately, on September 6, 2011, VISA violated § 501.603(b)(1) of the RPPR when it failed to file an initial report of blocked property with OFAC within 10 business days of blocking funds in which Real Estate Bank, a blocked Government of Syria-owned bank, had an interest. VISA stated that it failed to meet the reporting deadline with respect to the Real Estate Bank funds because it was attempting to determine whether fees should be deducted from the funds owed to Real Estate Bank before filing a report with OFAC.

The determination to issue a Finding of Violation to VISA 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. A Finding of Violation is appropriate given that VISA is a large and commercially sophisticated financial institution whose failure to submit the above-referenced Bank Melli reports to OFAC denied the U.S. government the benefit of accurate information in making its policy decisions, but did not result in an economic benefit being conferred to a sanctioned party. VISA also has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the date of the failure to report the blocked property that gave rise to the violations. A Finding of Violation is also likely to promote compliance with OFAC reporting obligations.

¹ 31 C.F.R. § 501.603(b)(2) of the RPPR requires holders of blocked property to file annual comprehensive reports of all blocked property with OFAC by September 30.

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