

ENFORCEMENT INFORMATION FOR JANUARY 27, 2014

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 31 C.F.R. part 501, app. A. 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)

Joint-Stock Commercial Bank “Bank of Moscow” Settles Potential Civil Liability for Alleged Violations of Executive Order 13382 of June 28, 2005, and the Weapons of Mass Destruction Proliferators Sanctions Regulations: Joint-Stock Commercial Bank “Bank of Moscow” (“Bank of Moscow”), of Moscow, Russian Federation, has agreed to remit \$9,492,525 to settle potential civil liability for 69 alleged violations of Executive Order 13382 of June 28, 2005 (“E.O. 13382”), and the Weapons of Mass Destruction Proliferators Sanctions Regulations, 31 C.F.R. part 544. Bank of Moscow did not voluntarily self-disclose the alleged violations and the alleged violations constitute a non-egregious case. The total base penalty amount for the alleged violations was \$14,063,000.

On October 25, 2007, OFAC designated Bank Melli Iran ZAO, Moscow, Russia (“BMI Russia”) pursuant to E.O. 13382. From January 9, 2008, to July 13, 2009, Bank of Moscow sent 69 funds transfers totaling \$41,306,113 for or on behalf of BMI Russia that were processed to or through the United States. None of the Society for Worldwide Interbank Financial Telecommunication (“SWIFT”) payment messages sent by Bank of Moscow in connection with these funds transfers included specific references to “Melli,” “Iran,” or BMI Russia’s SWIFT Business Identifier Code, but instead identified the bank through abbreviations such as “BMICJSCMOSCOWRUSSIA” (a reference to Bank Melli Iran Closed Joint Stock Company Moscow Russia) or “BMI CJSC.” U.S. financial institutions processed all 69 of the funds transfers straight through without manual intervention.

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. OFAC considered the following to be mitigating factors: Bank of Moscow 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 alleged violations; Bank of Moscow took remedial action to improve compliance with U.S. sanctions laws and regulations; and Bank of Moscow cooperated with OFAC’s investigation by signing a statute of limitations tolling agreement. OFAC found the following to be aggravating factors in this case: Bank of Moscow failed to exercise an appropriate degree of caution or care in avoiding the conduct that led to the alleged violations; Bank of Moscow’s conduct resulted in significant harm to U.S. sanctions program objectives; Bank of Moscow is a large and commercially sophisticated financial institution; and Bank of Moscow does not appear to have had adequate compliance policies or procedures in place at the time the alleged violations occurred. This enforcement action highlights the particular sanctions risk faced by foreign financial institutions that maintain

accounts for persons subject to OFAC sanctions and conduct significant business through the U.S. financial system.

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