

ENFORCEMENT INFORMATION FOR March 6, 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 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 www.treasury.gov/ofac/enforcement.

ENTITIES – 31 CFR 501.805(d)(1)(i)

Ubiquiti Networks, Inc. Settles Potential Civil Liability for Apparent Violations of the Iranian Transactions and Sanctions Regulations: Ubiquiti Networks, Inc. (“Ubiquiti”), San Jose, CA, has agreed to pay \$504,225 to settle potential civil liability for apparent violations of the Iranian Transactions and Sanctions Regulations (the “ITSR”). From on or about March 24, 2008, to in or around February 2010, Ubiquiti appears to have violated §§ 560.206 and 560.208 of the ITSR by engaging in transactions related to the exportation, reexportation, sale or supply, directly or indirectly, of goods for broadband wireless connectivity¹ to Iran, and facilitating the reexportation, sale or supply of such goods to Iran, when it entered into an agreement granting a distributor in the United Arab Emirates (“U.A.E.”) exclusive rights to distribute Ubiquiti’s goods in Iran, then subsequently sold to the U.A.E. distributor and exported or shipped to the U.A.E. goods that were reexported to Iran. Additionally, from on or about December 1, 2009, to on or about February 25, 2011, Ubiquiti appears to have violated § 560.204 of the ITSR by engaging in 13 exports of goods for broadband wireless connectivity to a distributor located in Greece, with knowledge or reason to know that the goods were intended specifically for supply, transshipment, or reexportation, directly or indirectly, to Iran.

OFAC determined that Ubiquiti did not voluntarily disclose the apparent violations, and that the conduct constitutes a non-egregious case. The base penalty for the apparent violations was \$560,250.

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: Ubiquiti demonstrated reckless disregard for U.S. sanction requirements; Ubiquiti was on notice in February 2010 that the conduct at issue constituted a violation of U.S. law; members of Ubiquiti’s senior management knew or had reason to know that Ubiquiti products were reexported to Iran; Ubiquiti’s conduct resulted in the provision of goods related to broadband wireless connectivity, worth at least \$588,938, to entities located in Iran; Ubiquiti engaged in a pattern of conduct over five years that resulted in several apparent violations during that period; Ubiquiti had no OFAC compliance program in place at the time of the apparent violations; Ubiquiti has no prior sanctions history, including not being the subject of a penalty notice or Finding of Violation; Ubiquiti cooperated with OFAC during its investigation

¹ On May 13, 2013, OFAC issued General License D, superseded on February 7, 2014 by General License D-1, authorizing, *inter alia*, the sale and export of certain goods and services incident to personal communications. The transactions described above occurred prior to the issuance of this general license and the majority of the products supplied to Iran are not within the scope of this general license.

of the apparent violations; and Ubiquiti took remedial action in response to the apparent violations.

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