

ENFORCEMENT INFORMATION FOR APRIL 2, 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 CFR 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 www.treasury.gov/ofac/enforcement.

ENTITIES – 31 CFR 501.805(d)(1)(i)

Sea Tel Inc. Settles Potential Civil Liability for Apparent Violations of the Iranian Transactions and Sanctions Regulations: Sea Tel Inc. (“Sea Tel”), of Concord, CA, has agreed to pay \$85,113 to settle potential civil liability for apparent violations of the Iranian Transactions and Sanctions Regulations.¹ The apparent violations by Sea Tel occurred between November 20, 2007, and February 26, 2009, when Sea Tel invoiced its distributor, Shindong Digitech Co. Ltd., in South Korea for 16 orders of marine antenna systems, with a total value of \$378,281, and exported the antenna systems to its distributor, with knowledge or reason to know that they were intended specifically for reexportation, directly or indirectly, to Iran.

This matter was voluntarily disclosed to OFAC by Sea Tel and the apparent violations constitute a non-egregious case. The base penalty amount for the apparent violations was \$189,141.

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: this is Sea Tel's “first violation,” given that OFAC has not issued any penalty notice or Finding of Violation to Sea Tel in the five years preceding these transactions; at the time of at least six of the apparent violations, Sea Tel had an OFAC compliance program in place; Sea Tel has undertaken some remedial steps to prevent a recurrence of the apparent violations; Sea Tel provided some cooperation to OFAC, including by entering into agreements to toll the statute of limitations; Sea Tel's provision of 16 antenna systems worth \$378,281 to its distributor for installation and use on vessels owned by the National Iranian Tanker Company (“NITC”), an Iranian entity, caused harm to sanctions program objectives; Sea Tel showed reckless disregard for U.S. sanctions by shipping goods for reexport to NITC without adequate due diligence; Sea Tel's reckless conduct constituted a pattern, providing antenna systems on 16 occasions over 15 months; a Sea Tel sales manager had reason to know that the antenna systems were destined for NITC and authorized the shipments; and Sea Tel is a sophisticated international business that should have had more than just general policies and procedures in place to ensure OFAC compliance, including appropriate mechanisms to determine the location of, and other information related to, the ultimate purchasers or users of its products.

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

¹ On October 22, 2012, OFAC changed the heading of 31 C.F.R. part 560 from the Iranian Transactions Regulations to the Iranian Transactions and Sanctions Regulations (“ITSR”), amended the renamed ITSR, and reissued them in their entirety. See 77 Fed. Reg. 64,664 (Oct. 22, 2012).