

ENFORCEMENT INFORMATION FOR July 17, 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)

Tofasco of America, Inc., Settles Potential Civil Liability for an Alleged Violation of the Weapons of Mass Destruction Proliferators Sanctions Regulations: Tofasco of America, Inc. ("Tofasco"), of La Verne, California, has remitted payment of \$21,375 to settle potential civil liability for an alleged violation of the Weapons of Mass Destruction Proliferators Sanctions Regulations (the "WMDPSR"). On or about April 16, 2009, Tofasco appears to have violated §§ 544.201(a) and 544.205 of the WMDPSR when it dealt in blocked property by engaging a bank to process a blocked letter of credit transaction representing payment for a shipment of recreational chairs with a substitute bill of lading omitting reference to the Islamic Republic of Iran Shipping Lines ("IRISL"), an entity whose property and interests in property are blocked pursuant to the WMDPSR. Tofasco initially presented trade documents to a prior bank in connection with the letter of credit transaction; however, the prior bank refused to advise the letter of credit transaction due to IRISL's involvement.

Tofasco did not make a voluntary self-disclosure. OFAC determined that the alleged violation did not constitute an egregious case. The maximum statutory penalty amount was \$250,000, and the base penalty amount was \$25,000.

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: Tofasco demonstrated reckless disregard for U.S. sanctions requirements in its presentation of trade documents to a second bank and by making payment for ocean freight for an underlying shipment of recreational chairs after the trade documents were rejected by a prior bank; Tofasco undertook deliberate steps to evade or avoid U.S. sanctions requirements by obtaining and submitting altered bill of lading documents that concealed IRISL's involvement; Tofasco knew of IRISL's involvement in the transactions; sanctions program objectives were harmed because the transactions provided a direct economic benefit to a designated entity and because payments were successfully effectuated without OFAC authorization; Tofasco did not appear to have had an OFAC compliance program in place at the time of the apparent violation; Tofasco has no prior sanctions history with OFAC; and Tofasco appears to be a small company lacking the sophistication of a larger company conducting international trade.

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