

ENFORCEMENT INFORMATION FOR OCTOBER 31, 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 www.treasury.gov/ofac/enforcement.

ENTITIES – 31 CFR 501.805(d)(1)(i)

Indam International, Inc., Settles Potential Civil Liability for Apparent Violations of the Iranian Transactions and Sanctions Regulations: Indam International, Inc. (Indam), Houston, Texas, has agreed to pay \$44,850 to settle potential civil liability for apparent violations of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560.¹ Indam appears to have violated §§ 560.203, 560.204, and 560.206 of the ITSR between July 4, 2006, and October 23, 2008, when Indam attempted to export or exported nine shipments of goods, collectively valued at \$27,846, from the United States to the United Arab Emirates, with reason to know that the shipments were intended specifically for supply, transshipment, or reexportation to two oil drilling rigs destined for or located in Iranian waters.

OFAC determined that Indam did not voluntarily self-disclose the apparent violations, and that the apparent violations constitute a non-egregious case. The base penalty amount for the apparent violations was \$69,000.

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. OFAC considered the following to be aggravating factors: Indam demonstrated reckless disregard for U.S. sanctions requirements by failing to conduct due diligence to determine the end users of its products and thereby avoid the conduct that led to the apparent violations; Indam was aware in 2008 that exporting goods for use on a rig in Iranian waters constituted a violation of the ITSR because U.S. Customs and Border Protection (CBP) had seized an Indam shipment destined for a drilling rig located in Iranian waters in July 2006; Indam's management at least had reason to know of the subject transactions, given their apparent direct involvement in the shipments; the apparent violations aided, or would have aided, the Iranian petroleum industry, resulting in actual or potential harm to the sanctions program objectives; and Indam did not implement appropriate policies and procedures to ensure compliance with U.S. sanctions laws prior to engaging in the apparent violations. OFAC considered the following to be mitigating factors: Indam did not appear to have actual knowledge that the drilling rigs were destined for or located in Iranian waters at the time of the subject transactions (although Indam had reason to know these facts, because the facts were publicly and readily available before and at the time of the apparent violations); the harm to sanctions program objectives was minimized because CBP detained in the United States five of the nine

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).

shipments, accounting for approximately 60 percent of the transactional value of the apparent violations; Indam is a small business; Indam has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the date of the first transaction giving rise to the apparent violations; Indam took remedial measures by adopting internal controls and procedures to prevent a recurrence of the apparent violations; Indam cooperated with OFAC, including by agreeing to toll the statute of limitations; and Indam forfeited the goods involved in at least four of the nine apparent violations to CBP.

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