

ENFORCEMENT INFORMATION FOR FEBRUARY 4, 2016

Information concerning the civil penalties process can be found in the OFAC regulations governing each sanctions program; the Reporting, Procedures, and Penalties Regulations, 31 C.F.R. part 501; and the Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, app. A. These references 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)

OFAC Issues Finding of Violation to Johnson and Johnson (Middle East) Inc. for Violations of the Sudanese Sanctions Regulations. OFAC has issued a Finding of Violation (FOV) to Johnson and Johnson (Middle East) Inc. (JJME), a U.S. company incorporated in New Jersey and a wholly owned subsidiary of Johnson & Johnson, for violations of the Sudanese Sanctions Regulations, 31 C.F.R. part 538 (the "Regulations"). Between on or about March 23, 2010 and on or about October 20, 2010, JJME violated § 538.206 of the Regulations when it facilitated the exportation of goods to Sudan by coordinating and supervising shipments of goods from Johnson and Johnson (Egypt) S.A.E. (JJE) to Khartoum, Sudan.

Following a November 2009 restructuring, JJME became directly involved in the business planning and supervision of JJE, including JJE's transactions with Sudan. JJME's General Manager for "Emerging Markets, Middle East and North Africa" coordinated and supervised five JJE shipments to Sudan, the total value of which was approximately \$227,818. Prior to August 2010, this General Manager was unfamiliar with U.S. sanctions and received no training on compliance with OFAC regulations despite being responsible for sales in the Middle East and North Africa, including Sudan.

The determination to issue a Finding of Violation to JJME in connection with the above transactions 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: (1) JJME acted with reckless disregard for U.S. sanctions requirements when it made two exports to Sudan after being made aware that it might be subject to restrictions under U.S. sanctions; (2) JJME's General Manager for Emerging Markets in the Middle East and North Africa was both aware of and involved in the conduct giving rise to the violations; (3) JJME is part of a large, sophisticated corporation with extensive experience in international trade; however, it did not properly take into consideration the implications of OFAC regulations when it restructured its consumer business and placed a U.S. company in charge of sales to Sudan; and (4) JJME's OFAC compliance program did not include any training on OFAC regulations for its General Manager, who was responsible for sales to Sudan.

OFAC considered the following to be mitigating factors: (1) JJME took remedial action including conducting an internal investigation of the violations and instituting additional compliance training; (2) the harm to sanctions programs objectives was limited because the products exported, while not authorized by OFAC, were consumer hygiene products; (3) JJME has no prior OFAC sanctions history, including no penalty notice or Finding of Violation in the

five years preceding the date of the earliest transaction giving rise to the violations; and (4) JJME cooperated with OFAC's investigation, including by providing detailed and well-organized information.

This enforcement action highlights the need for U.S. companies, particularly large, sophisticated entities dealing primarily in international transactions, to ensure that their employees are properly trained on OFAC regulations, especially managers who oversee sales to regions that pose a particularly high risk for violations of the sanctions programs administered by OFAC.

For a copy of OFAC's Finding of Violation issued to JJME, please visit the following url:
https://www.treasury.gov/resource-center/sanctions/CivPen/Documents/2016_fov_jjme.pdf

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