

## **ENFORCEMENT INFORMATION FOR November 17, 2017**

**Information concerning the civil penalties process is discussed in the Office of Foreign Assets Control (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 website at <http://www.treasury.gov/ofac/enforcement>.**

### **ENTITIES – 31 C.F.R. 501.805(d)(1)(i)**

**BCC Corporate SA Settles Potential Liability for Apparent Violations of the Cuban Assets Control Regulations:** BCC Corporate SA (“BCCC”) is a Belgium-based credit card issuer and corporate service company that issues various payment products, such as credit cards, to its European-based corporate customers. At the time of the apparent violations, BCCC was a wholly owned subsidiary of Alpha Card Group (“Alpha Card”), which in turn was owned 50 percent by American Express Company (AMEX), a U.S. financial institution. AMEX has agreed to remit \$204,277 to settle potential civil liability for 1,818 apparent violations of the Cuban Assets Control Regulations, 31 C.F.R. part 515 (CACR).

Between April 9, 2009 and February 3, 2014, credit cards BCCC had issued to its corporate customers were used to make credit card purchases in Cuba. Although Alpha Card and BCCC had policies and procedures in place to review transactions for matches to OFAC's List of Specially Designated Nationals and Blocked Persons for compliance with U.S. economic sanctions laws, Alpha Card and BCCC nevertheless failed to implement controls to prevent BCCC-issued credit cards from being used in Cuba. Between April 9, 2009 and February 3, 2014, BCCC processed 1,818 transactions totaling \$583,649.43 for more than 100 distinct corporate customers of BCCC whose cards were used in Cuba or that otherwise involved Cuba.<sup>1</sup> The total base penalty amount for the 1,818 apparent violations was \$291,825.

OFAC has determined that AMEX voluntarily self-disclosed the apparent violations to OFAC and that the apparent violations constitute a non-egregious case.

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: (1) personnel within both Alpha Card and BCCC had reason to know of the conduct that led to the apparent violations; (2) despite Alpha Card's business model prior to its acquisition of BCCC in March 2009, in which it dealt exclusively with AMEX-related products (and therefore had insight into all the parties involved in any transactions throughout the network), none of the companies involved appear to have appreciated the possibility or risk that BCCC-issued credit cards could be used in Cuba, and the company should have taken steps to assess the level of sanctions risk, and related controls, for BCCC-issued credit cards; (3) the apparent violations

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<sup>1</sup> In January 2015, OFAC revised its regulations to authorize U.S. financial institutions to process credit and debit card transactions and permit the use of their credit and debit cards for certain travel to Cuba by U.S. nationals as well as third-country nationals.

resulted in harm to U.S. sanctions program objectives at the time they occurred; (4) AMEX is a large and commercially sophisticated financial institution; and (5) during OFAC's investigation, AMEX and BCCC provided certain information on multiple occasions that was verifiably inaccurate or incomplete, including material omissions.

OFAC considered the following to be mitigating factors: (1) BCCC has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the earliest date of the transactions giving rise to the apparent violations; (2) upon discovering the apparent violations, AMEX took swift and appropriate remedial action; (3) AMEX and BCCC voluntarily self-disclosed the apparent violations to OFAC; and (4) BCCC signed a statute of limitations tolling agreement and tolling agreement extensions..

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