

ENFORCEMENT INFORMATION FOR NOVEMBER 28, 2017

Information concerning the civil penalties process can be found 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 web site at www.treasury.gov/ofac/enforcement.

ENTITIES – 31 CFR 501.805(d)(1)(i)

OFAC Issues a Finding of Violation to Dominica Maritime Registry, Inc. for a Violation of the Iranian Transactions and Sanctions Regulations: OFAC has issued a Finding of Violation to Dominica Maritime Registry, Inc. (DMRI), of Fairhaven, Massachusetts, for a violation of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR). Specifically, OFAC determined that on July 4, 2015, DMRI violated § 560.211 of the ITSR by dealing in the property or interests in property of the National Iranian Tanker Company (NITC), an entity identified by OFAC as meeting the definition of the Government of Iran and whose property and interests in property are blocked.¹ In particular, DMRI executed a binding Memorandum of Understanding with NITC, which OFAC determined was a contingent contract and therefore property in which NITC, a blocked person, had an interest.

Section 560.211 of the ITSR prohibits U.S. persons from dealing in the property or interests in property of the Government of Iran. Since NITC is identified as an entity meeting the definition of the Government of Iran, DMRI was prohibited from dealing in its property or interests in property. Section 560.325 of the ITSR defines “property” and “property interests” to include “services of any nature whatsoever, contracts of any nature whatsoever, and any other property, real, personal, or mixed, tangible or intangible, or interest or interests therein, present, future, or contingent.”

OFAC determined that DMRI did not voluntarily disclose the violation and that the violation constitutes a non-egregious case. The determination to issue a Finding of Violation to DMRI reflects OFAC's consideration of the following facts and circumstances, pursuant to the General Factors as outlined in OFAC's Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, app. A. OFAC considered the following to be aggravating factors: (1) DMRI failed to exercise a minimal degree of caution or care by executing a contingent contract with an entity it knew was listed on the SDN List at the time of the violation; (2) DMRI executives had actual knowledge of, and actively participated in, the conduct that led to the violation, and were aware of NITC's status when DMRI executed the contingent contract; and (3) DMRI undermined the policy

¹ At the time of the violation, NITC was identified on OFAC's List of Specially Designated Nationals and Blocked Persons (the “SDN List”). On January 16, 2016 – Implementation Day of the Joint Comprehensive Plan of Action between the P5+1 and Iran – OFAC removed NITC from the SDN List and added it to the List of Persons Identified as Blocked Solely Pursuant to Executive Order 13599. The purpose of the latter list is to clarify that, regardless of their removal from the SDN List, persons that OFAC previously identified as meeting the definition of the Government of Iran or an Iranian financial institution continue to meet those definitions and continue to be persons whose property and interests in property are blocked pursuant to Executive Order 13599 and § 560.211 of the ITSR.

objectives of the ITSR by dealing in the blocked property of a Government of Iran entity identified on the SDN List.

OFAC considered the following to be mitigating factors: (1) DMRI has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the date of the transaction giving rise to the violation; (2) DMRI is a small company; and (3) DMRI has taken remedial actions, including engaging trade counsel to assist it in understanding its obligations under U.S. sanctions laws, updating its OFAC compliance procedures, and undertaking a process to establish an OFAC compliance training program for all employees.

Based on the foregoing analysis of the General Factors, the conduct at issue, and the size of DMRI, OFAC determined that the issuance of this Finding of Violation is the appropriate enforcement response. OFAC found that DMRI is a small company and the scope of the underlying conduct at issue was limited. Additionally, based on information DMRI provided to OFAC, there was no performance of the contingent contract and DMRI represented that it has had no further dealings with NITC or any other sanctioned party.

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