



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

PENALTY NOTICE

JUL 6 2015

[REDACTED]
[REDACTED]
[REDACTED]
Owners
Blue Robin, Inc.
20 Lyman Terrace
Waltham, MA 02452

Dear Messrs. [REDACTED]:

On April 29, 2015 the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issued a Prepenalty Notice ("Notice") to Blue Robin, Inc. ("Blue Robin" or "you") relating to the importation by Blue Robin, through 33 transactions, of Web development services valued at \$205,650 from an Iranian company called PersiaBME from on or about January 14, 2009 to on or about July 19, 2010, in apparent violation of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (the "ITSR"), promulgated pursuant to the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06. See § 560.703 of the ITSR.

The Notice proposed a penalty in the amount of \$82,260, and advised you of the right to make a written presentation to OFAC setting forth the reasons why a penalty should not be imposed, or, if imposed, why the amount should be less than that proposed in the Notice.

Blue Robin responded to OFAC by letter dated May 29, 2015. In your response, you made the following arguments:

1. Blue Robin's proposed penalty was disproportionately higher than other penalties and settlements in similar OFAC enforcement cases;
2. Blue Robin did not show reckless disregard for U.S. sanctions in its transactions with PersiaBME;
3. Blue Robin was unaware that it was violating U.S. law;
4. the harm to U.S. sanctions program objectives was negligible;
5. Blue Robin's financial status has worsened since its last correspondence with OFAC;
6. Blue Robin's lack of a compliance program and its failure to implement one should not be considered an aggravating factor;
7. Blue Robin should receive mitigation for remedial steps that it took;
8. Blue Robin should receive additional mitigation for its cooperation with OFAC;

Blue Robin, Inc.

9. Blue Robin should receive a net 25 percent reduction to the proposed penalty because this is its first offense; and
10. a cautionary letter would sufficiently promote future compliance and have a deterrent effect on Blue Robin.

After a thorough review of the facts and circumstances pertaining to this matter, including your response to the Notice, OFAC has determined that Blue Robin violated § 560.201 of the ITSR and that no further reduction from the proposed penalty amount set forth in the Notice is warranted.

OFAC analyzed the arguments from your May 29, 2015 letter and has made the following determinations:

1. No additional mitigation should be provided due to comparisons with other enforcement cases because OFAC evaluates each case on its own merits;
2. Blue Robin acted recklessly because it knew it was importing services from an Iranian company over a period of more than five years, it sent payments through unlicensed money exchangers instead of through traditional commercial banking channels, and it appears that the company did not take any steps to research the legality of funds transfers to Iran or the importation of services from Iran until after it lost contact with its unlicensed money exchanger;
3. Consistent with General Factor B of OFAC's Enforcement Guidelines, Blue Robin was aware that it was conducting transactions with an Iranian company and its lack of knowledge about U.S. sanctions is irrelevant to its awareness of the underlying conduct;
4. Consistent with General Factor C.1 of OFAC's Enforcement Guidelines, Blue Robin caused harm to the U.S. sanctions program objectives by conferring an economic benefit on a company in Iran;
5. OFAC has already considered Blue Robin's status as a small business and its financial difficulties, and no additional mitigation is warranted for those factors;
6. the lack of a compliance program and the failure to implement one should be considered an aggravating factor because these were international transactions that occurred over a five-year period;
7. no additional mitigation should be granted for Blue Robin's remedial steps because Blue Robin did not immediately cease all of its business with PersiaBME once it learned of the violations, nor did it implement a compliance program, but instead it continued to violate the ITSR by importing additional technical assistance from PersiaBME;
8. OFAC has already provided mitigation credit for Blue Robin's cooperation, and no additional mitigation is warranted;
9. OFAC already considered Blue Robin's OFAC sanctions history, and OFAC provided it "first offense" mitigation; because of this, no additional mitigation is warranted; and

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Blue Robin, Inc.

10. a penalty in this case is appropriate, and it will likely have a deterrent effect with respect to both Blue Robin and other companies in similar industries because it will help to demonstrate that conducting unauthorized transactions with an Iranian Web services company could result in a violation of the ITSR.

Accordingly, a civil penalty in the amount of **\$82,260** is hereby imposed upon Blue Robin, Inc. pursuant to 31 C.F.R. § 560.704.

You must pay this penalty or arrange for installment payment of the penalty within 30 days of the mailing of this Penalty Notice to avoid the imposition of additional charges. Payment by check payable to the "U.S. Treasury" in the amount of \$82,260 and referencing the above ENF number can be sent to the U.S. Department of the Treasury, Accounting Services Branch ██████████

██████████. Alternatively, you may pay through Electronic Funds Transfer (EFT). Instructions for EFT payment are enclosed. Pursuant to 31 U.S.C. § 7701, you must include a Taxpayer Identification Number or Social Security Number on your payment; that number will be used for the purpose of collecting and reporting on any delinquent penalty amount. Pursuant to 31 U.S.C. § 3717, failure to pay this penalty in a timely manner will result in the accrual of appropriate interest, the imposition of an applicable administrative charge, and, if the payment is more than 90 days past due, the imposition of further penalty charges.

Please note that 31 C.F.R. § 560.705 provides that this matter may be referred either for administrative collection measures or to the U.S. Department of Justice for appropriate action to recover the penalty in a civil suit in Federal District Court if payment is not made within 30 days of the date of this Penalty Notice.

If you have any questions concerning this matter, you may contact ██████████, Enforcement, Office of Foreign Assets Control, at ██████████. Please have the ENF number listed at the top of this Notice available when you call.

Sincerely,



John E. Smith
Acting Director
Office of Foreign Assets Control

Enclosure