

FAC No. CU-[text deleted]

Aerovacations, Inc.
c/o Jaime Pastrana P., President
5478 Wilshire Boulevard, Suite 204
Los Angeles, CA 90036

PENALTY NOTICE

Dear Mr. Pastrana:

The Office of Foreign Assets Control (“OFAC”) issued to Aerovacations, Inc. (“Aerovacations”) a Prepenalty Notice (“PPN”) dated March 3, 2008, based on evidence that Aerovacations engaged in certain transactions prohibited by the Cuban Assets Control Regulations, 31 C.F.R. part 515 (the “CACR”). The PPN proposed a penalty in the amount of \$2,709 and informed you of Aerovacations’ right to submit a written response within 60 days explaining why it believes there should be no finding of a violation, why a monetary penalty should not be imposed, or why the monetary penalty should be in a lesser amount than proposed. The PPN also informed you that the submission of a written response on behalf of Aerovacations is a factor that may result in a lower penalty absent any aggravating factors and that OFAC may proceed with the issuance of a Penalty Notice in 60 days whether or not Aerovacations submits a written response.

The PPN alleged that Aerovacations dealt in property in which Cuba or a Cuban national had an interest on August 10, 2007 when it initiated the wire transfer of USD \$2,709 to to Scotiabank Inverlat, Mexico City for the account of Viajes Viñales Tours, S.A. de C.V. (“Viñales”). In your undated response to the PPN, which was received by this office on May 22, 2008, you stated that, absent access to Viñales documents, Aerovacations had no reason to suspect that Viñales was a sanctioned entity. All U.S. businesses have an obligation to ensure that their international business partners are not listed on OFAC’S List of Specially Designated Nationals and Blocked Persons (“SDN List”).

After consideration of the entire record, OFAC determines that Aerovacations violated the CACR and that a monetary penalty is warranted. OFAC further determines, however, that the following mitigating factors are present: written response to the PPN and first violation. Accordingly, OFAC determines that the proposed civil penalty should be reduced to **\$1,761**.

If Aerovacations believes this determination is incorrect and wishes to argue this matter at a hearing before an administrative law judge, Aerovacations may submit a written request for an administrative hearing. Such a request must be postmarked no later than 30 days after the date of service* of this Penalty Notice.

Absent Aerovacations’ timely written request for an administrative hearing:

* The date of service of this Penalty Notice is the date stamped on the first page of this Penalty Notice, unless you submit to OFAC a copy of the envelope in which this Penalty Notice was sent showing a later postmark date, in which case the later date will be the date of service.

- (1) The issuance of this Penalty Notice constitutes final agency action, and a civil monetary penalty in the amount of **\$1,761** is imposed;
- (2) Aerovacations must submit this full penalty amount by check payable to “U.S. Treasury” postmarked no later than 30 days after the date of service of this Penalty Notice. Alternatively, Aerovacations may arrange with the Office of Financial Management of the Department of the Treasury for installment payment. Such an arrangement must be completed no later than 30 days after the date of service of this Penalty Notice. Failure to pay in full or make arrangements with the Office of Financial Management will result in interest, administrative charges, and late fees beginning to accrue 30 days after the date of service of this Penalty Notice; and
- (3) Aerovacations must provide to OFAC its taxpayer identification number pursuant to 31 U.S.C. 7701. OFAC intends to Aerovacations’ taxpayer identification number for the purposes of collecting and reporting on any delinquent penalty amount in the event of a failure to pay the penalty imposed.

Any request for an administrative hearing, submission of payment, or other correspondence concerning this penalty matter should be sent to: Chief of Civil Penalties, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220.

For access to the SDN List or more information on the OFAC civil penalty process and on the consideration of mitigating and aggravating factors, see the Reporting, Procedures and Penalties Regulations, 31 C.F.R. part 501, and the OFAC Enforcement Guidelines, which are available on OFAC’s website at www.treas.gov/ofac.

Sincerely,

[signature]

Adam J. Szubin
Director
Office of Foreign Assets Control