

FAC No. LB-[text deleted]

Mr. Michael H. Selter
Manelli, Denison & Selter, PLLC
Re: International Transports Solutions, Inc.
2000 M Street, N.W., 7th Floor
Washington, D.C. 20036-3307

PENALTY NOTICE

Dear Mr. Selter:

A Prepenalty Notice ("Notice") dated October 9, 2007, was issued by the Office of Foreign Assets Control ("OFAC") to International Transport Solutions, Inc. ("ITS") in relation to an attempted transfer of funds on or about May 4, 2005 from ITS, an entity located in Carlstadt, NJ, to Rockman EOOD ("Rockman"), a Specially Designated National ("SDN") designated by OFAC on April 26, 2005, to pay Rockman for services rendered between January and February, 2005. Inasmuch as no license or authorization was issued by OFAC prior to the transaction, it violated §§ 593.201(a), 593.201(b), and 593.206(a) of the Former Liberian Regime of Charles Taylor Sanctions Regulations, 31 CFR Part 593 (the "Regulations"). See §§ 593.201(a), 593.201(b) and 593.206(a) of the Regulations.

Section 206 of IEEPA, 50 U.S.C. § 1705, provides, in part, for a civil penalty, for each such violation, not to exceed the greater of \$250,000; or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.¹ The Notice proposed a penalty in the amount of \$4,500 and advised ITS of the right to make a written presentation to OFAC setting forth reasons why a penalty should not be imposed, or if imposed, why it should be less than that proposed. Such written response was required to be made within thirty (30) days of the mailing of the Notice.

ITS responded to OFAC by mailed letter dated October 26, 2007. In its response, ITS presented arguments related to applicable mitigating and aggravating factors.

After a careful review of the entire file, it is determined that ITS violated the Regulations. However, OFAC has no prior record of violations on the part of ITS, ITS has cooperated in resolving the matter by responding to the Notice and ITS has implemented a compliance standard for its applicable employee(s). Accordingly, the proposed civil penalty in the amount of \$4,500 will be reduced by 40% to \$2,700, which amount is hereby imposed upon ITS pursuant to § 593.704 of the Regulations.

1. On October 16, 2007, the President signed into law an amendment to IEEPA which raised the maximum civil penalty for violations and attempted violations of any license, order, regulation or prohibition issued under IEEPA from \$50,000 to the greater of \$250,000 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed. See 50 U.S.C. § 1705. As indicated in the Interim Policy issued by OFAC on November 28, 2007, in general, when a Pre-Penalty Notice has been issued prior to October 16, 2007, the penalty will continue to be processed in accordance with the Pre-Penalty Notice.

A check payable to the "**U.S. Treasury**" in the amount of \$2,700 should be sent, within 30 days of the mailing of this Penalty Notice, to the Department of the Treasury, Financial Management Division, (Attn: Brad Keiser, Met Square, 6th Floor), 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220. Interest, administrative charges, and late fees will commence to accrue after 30 days. Under Public Law 97-365, 31 U.S.C. § 3717, interest at an annual rate of 5% and an administrative charge of \$12.00 will be added if the amount is not paid by the due date. Should the amount not be paid within ninety (90) days, an additional late charge of 6% will be added.

Please note that § 593.705 of the Regulations provides that this matter shall be referred either for administrative collective measures or to the United States Department of Justice for appropriate action to recover the penalty in a civil suit in Federal District Court if such payment is not made.

Please further note that 31 U.S.C. § 7701 requires that a person assessed a penalty by a Federal agency furnish a Taxpayer Identification/Social Security Number and also requires the agency to disclose that we intend to use such number for the purpose of collecting and reporting on any delinquent penalty amount in the event of a failure to pay the penalty imposed.

Sincerely,

[signature]

Adam Szubin
Director
Office of Foreign Assets Control