

FAC No. CU-[text deleted]/CT-[text deleted]

U.S./Cuba Labor Exchange  
c/o [text deleted], Esq.  
[text deleted]  
Detroit, MI 48224

**PENALTY NOTICE**

Dear Mr. [text deleted]:

The Office of Foreign Assets Control (“OFAC”) issued to the U.S./Cuba Labor Exchange (“Exchange”) a Prepenalty Notice (“PPN”) dated November 4, 2005, based on evidence that the Exchange 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 \$27,000 and informed you of your right to submit a written explaining why you believe there should be no finding of 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 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 you submit a written response.

On November 4, 2005, OFAC mailed the PPN by first class (regular) mail to the Exchange at its last known address. On December 7, 2005, OFAC granted your request for a 30-day extension of the deadline to respond to the PPN. In a response to OFAC dated January 23, 2005 [sic] and postmarked January 24, 2006, the Exchange included a list of mitigating factors. OFAC notes that in regards to the Exchange’s alleged inability to pay a penalty, the Exchange did not provide a financial disclosure statement to support this claim, as required by 31 C.F.R. part 501.707(b)(1)(iv) and noted in the PPN.

After consideration of the entire record, OFAC determines that the Exchange violated the CACR and that a monetary penalty is warranted. OFAC further determines that some mitigation is warranted to reflect the presence of the following mitigating factor: provision of a written response to the PPN. Accordingly, OFAC determines that the proposed civil penalty should be reduced to \$13,950.

The Exchange has already requested a hearing on this matter before an administrative law judge. If the Exchange instead wishes to pay the penalty amount at this time, it 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, the Exchange 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

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\* 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.

Penalty Notice. The Exchange must also provide to OFAC its taxpayer identification number (for example, a social security number) pursuant to 31 U.S.C. 7701.

Any request for a submission of payment or other correspondence concerning this penalty matter should be sent to: Assistant Director, Civil Penalties, Office of Foreign Assets Control, U.S. Treasury Department, 1500 Pennsylvania Avenue, N.W., Washington, DC 20220, with the envelope prominently marked "Urgent: Part 501 Action."

For 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 web site at [www.treas.gov/ofac](http://www.treas.gov/ofac).

Sincerely,

[signature]

Barbara C. Hammerle  
Acting Director  
Office of Foreign Assets Control