



EIB World Trade Headlines

Evolutions In Business • www.eib.com • (978) 256-0438
Fax: (978) 250-4529 • P.O. Box 4008, Chelmsford, MA 01824

December 15, 2019 - Volume 11, Issue 24



Democrats, White House forge new North American trade deal

WASHINGTON (AP) — House Democrats and the White House announced a deal Tuesday on a modified North American trade pact, handing President Donald Trump a major Capitol Hill win on the same day that impeachment charges were announced against him. Both sides hailed the deal as a win for American workers.

They said the revamped U.S.-Mexico-Canada Agreement was a significant improvement over the original North American Free Trade Agreement, with Democrats crowing about winning stronger provisions on enforcing the agreement while Republicans said it will help keep the economy humming along.

There is no question of course that this trade agreement is much better than NAFTA," House Speaker Nancy Pelosi, D-Calif., said in announcing the agreement, saying the pact is "infinitely better than what was initially proposed by the administration."

Trump said the revamped trade pact will "be great" for the United States. "It will be the best and most important trade deal ever made by the USA. Good for everybody - Farmers, Manufacturers, Energy, Unions - tremendous support. Importantly, we will finally end our Country's worst Trade Deal, NAFTA!," the president said in a tweet.

NEWSLETTER NOTES

- * Democrats, White House forge new North American trade deal
- * Russian National Charged with Decade-Long Series of Hacking and Bank Fraud Offenses Resulting in Tens of Millions in Losses and Second Russian National Charged with Involvement in Deployment of "Bugat" Malware
- * Iran releases U.S. scholar imprisoned since 2016, foreign minister says
- * CBP to seize design patent counterfeits under proposed new law
- * Trump's Embrace of Sanctions Irks Allies and Prompts Efforts to Evade Measures
- * OFAC Issues a Finding of Violation to Aero Sky Aircraft Maintenance, Inc.

(*Continued On The Following Page)

The deal announcement came on the same morning that Democrats outlined impeachment charges against Trump. The trade pact is Trump's top Capitol Hill priority along with funding for his long-sought border fence. Trump said it was no coincidence that Democrats announced they had come to an agreement shortly after laying out the two impeachment charges they will seek against him.

"They were very embarrassed by (impeachment), and that's why they brought up USMCA an hour after because they figure it will muffle it a little bit," Trump told reporters at the White House before departing for a campaign rally in Pennsylvania. In Mexico City, Trump's son-in-law and senior adviser, Jared Kushner, U.S. Trade Representative Robert Lighthizer and Canadian Deputy Prime Minister Chrystia Freeland joined Mexican officials to sign the updated version of the United States-Mexico-Canada trade agreement, or USMCA, at a ceremony in Mexico City's centuries-old National Palace.

Mexican Foreign Minister Marcelo Ebrard congratulated the negotiators for reaching a second set of agreements to answer U.S. concerns about labor rights in Mexico, and regional content. "Mission accomplished!" Ebrard told the gathered officials.

Lighthizer praised the joint work of the Trump administration, Democrats, business and labor leaders to reach an agreement, calling it "nothing short of a miracle that we have all come together."

"This is a win-win-win agreement which will provide stability for working people in all three countries for years to come," Freeland said. "That is no small thing."

A U.S. House vote is likely before Congress adjourns for the year and the Senate is likely to vote in January or February. Senate Majority Leader Mitch McConnell said the vote on the trade deal will likely occur after an expected impeachment trial in the Senate.

Pelosi was the key congressional force behind the deal, which updates the 25-year-old NAFTA accord that many Democrats — especially from manufacturing areas hit hard by trade-related job losses — have long lambasted. She and Ways and Means Committee Chairman Richard Neal, D-Mass., forged a positive working relationship with Lighthizer, whom they credited with working in good faith.

"Thanks to President Trump's leadership, we have reached an historic agreement on the USMCA. After working with Republicans, Democrats, and many other stakeholders for the past two years we have created a deal that will benefit American workers, farmers, and ranchers for years to come," Lighthizer said. "This will be the model for American trade deals going forward."

*(*Continued On The Following Column)*

NAFTA eliminated most tariffs and other trade barriers involving the United States, Mexico and Canada. Critics, including Trump, labor unions and many Democratic lawmakers, branded the pact a job killer for the United States because it encouraged factories to move south of the border, capitalize on low-wage Mexican workers and ship products back to the U.S. duty free. Weeks of back-and-forth, closely monitored by Democratic labor allies such as the AFL-CIO, have brought the two sides together. Pelosi is a longtime free trade advocate and supported the original NAFTA in 1994. Trump has accused Pelosi of being incapable of passing the agreement because she is too wrapped up in impeachment.

The original NAFTA badly divided Democrats but the new pact is more protectionist and labor-friendly, and Pelosi is confident it won't divide the party, though some liberal activists took to social media to carp at the agreement.

"There is no denying that the trade rules in America will now be fairer because of our hard work and perseverance. Working people have created a new standard for future trade negotiations," said AFL-CIO President Richard Trumka. "President Trump may have opened this deal. But working people closed it." Business groups like the U.S. Chamber of Commerce also chimed in to support the long-delayed agreement.

"This agreement has been the result of painstaking bipartisan negotiations over the past year, and would not have been possible if not for the willingness of President Trump to work patiently with Democrats to get something done that he knew was in the best interests of American workers, farmers and manufacturers," said Sen. Rob Portman, R-Ohio, a former U.S. trade representative.

Republicans leaders and lawmakers have agitated for months for the accord but Pelosi has painstakingly worked to bring labor on board. Democrats see the pact as significantly better than NAFTA and Trumka's endorsement is likely to add to a strong vote by Democrats that have proven skeptical of trade agreements. "I think the vote's going to be pretty good," said No. 2 House Democrat Steny Hoyer, D-Md., a veteran party whip. "There's a general agreement — not total agreement, it's not unanimity — that USMCA is better. It's an improvement. And to the extent that Trumka and labor comes out and says that this is an improvement, I think that that will be unifying."

The pact contains provisions designed to nudge manufacturing back to the United States. For example, it requires that 40% to 45% of cars eventually be made in countries that pay autoworkers at least \$16 an hour — that is, in the United States and Canada and not in Mexico.

*(*Continued On The Following Page)*

The trade pact picked up some momentum after Mexico in April passed a labor-law overhaul required by USMCA. The reforms are meant to make it easier for Mexican workers to form independent unions and bargain for better pay and working conditions, narrowing the gap with the United States.

Democrats succeeded in tossing overboard a 10-year protection for manufacturers of new drugs, including so-called biologics, that had won reprieve from lower-cost competition in the original accord. But Pelosi lost out in a bid to repeal so-called Section 230, a provision in a 1996 law that gives social media companies like Facebook broad immunity from lawsuits over the content they publish on their platforms.

Conservative Pennsylvania GOP Sen. Pat Toomey offered a rare GOP voice against the accord, which he said veered to the left and “undermines the free flow of capital” from the U.S. to its trading partners.

“This is basically NAFTA with a few modernizations, and some restrictions on trade and an expiration date. If people think that’s a huge improvement than I guess they’ll be happy with it,” Toomey told reporters. “If people think free trade is important, they’ll presumably see it as the step backward that I see it as.” Toomey said Democrats had outmaneuvered the administration, an assessment that Pelosi shared. “We ate their lunch,” Pelosi told her Democratic colleagues in a closed-door meeting, according to an aide in the room.

Vice President Mike Pence, however, released a statement praising Trump’s leadership and claiming Democrats “have finally acquiesced” in allowing a vote on the trade pact. “From my perspective it’s not as good as I had hoped,” McConnell said, while No. 2 Senate Republican John Thune of South Dakota offered a mixed assessment as well, saying the changes agreed to by Pelosi and Lighthizer were “not favorable.”

Russian National Charged with Decade-Long Series of Hacking and Bank Fraud Offenses Resulting in Tens of Millions in Losses and Second Russian National Charged with Involvement in Deployment of “Bugat” Malware

The United States of America, through its Departments of Justice and State, and the United Kingdom, through its National Crime Agency (NCA), today announced the unsealing of criminal charges in Pittsburgh, Pennsylvania, and Lincoln, Nebraska, against Maksim V. Yakubets, aka online moniker, “aqua,” 32, of Moscow, Russia, related to two separate international computer hacking and bank fraud schemes spanning from May 2009 to the present.

*(*Continued On The Following Column)*

A second individual, Igor Turashev, 38, from Yoshkar-Ola, Russia, was also indicted in Pittsburgh for his role related to the “Bugat” malware conspiracy.

Assistant Attorney General Brian A. Benczkowski of the Justice Department’s Criminal Division, U.S. Attorney Scott W. Brady for the Western District of Pennsylvania, U.S. Attorney Joseph P. Kelly for the District of Nebraska, FBI Deputy Director David Bowdich, Principal Deputy Assistant Secretary James A. Walsh of the State Department’s Bureau of International Narcotics and Law Enforcement Affairs (INL), and Director Rob Jones of the Cyber Crime Unit at the United Kingdom’s National Crime Agency (NCA) made the announcement. “Maksim Yakubets allegedly has engaged in a decade-long cybercrime spree that deployed two of the most damaging pieces of financial malware ever used and resulted in tens of millions of dollars of losses to victims worldwide,” said Assistant Attorney General Benczkowski. “These two cases demonstrate our commitment to unmasking the perpetrators behind the world’s most egregious cyberattacks. The assistance of our international partners, in particular the National Crime Agency of the United Kingdom, was crucial to our efforts to identify Yakubets and his co-conspirators.”

“For over a decade, Maksim Yakubets and Igor Turashev led one of the most sophisticated transnational cybercrime syndicates in the world,” said U.S. Attorney Brady. “Deploying ‘Bugat’ malware, also known as ‘Cridex’ and ‘Dridex,’ these cybercriminals targeted individuals and companies in western Pennsylvania and across the globe in one of the most widespread malware campaigns we have ever encountered. International cybercriminals who target Pennsylvania citizens and companies are no different than any other criminal: they will be investigated, prosecuted and held accountable for their actions.” “The Zeus scheme was one of the most outrageous cybercrimes in history,” said U.S. Attorney Kelly. “Our identification of Yakubets as the actor who used the moniker ‘aqua’ in that scheme, as alleged in the complaint unsealed today, is a prime example of how we will pursue cyber criminals to the ends of justice no matter how long it takes, by tracking their activity both online and off and working with our international partners to expose their crimes.”

“Today’s announcement involved a long running investigation of a sophisticated organized cybercrime syndicate,” said FBI Deputy Director Bowdich. “The charges highlight the persistence of the FBI and our partners to vigorously pursue those who desire to profit from innocent people through deception and theft. By calling out those who threaten American businesses and citizens, we expose criminals who hide behind devices and launch attacks that threaten our public safety and economic stability. The actions highlighted today, which represent a continuing trend of cyber-criminal activity emanating from Russian actors, were particularly damaging as they targeted U.S. entities across all sectors and walks of life.

*(*Continued On The Following Page)*

The FBI, with the assistance of private industry and our international and U.S. government partners, is sending a strong message that we will work together to investigate and hold all criminals accountable. Our memory is long and we will hold them accountable under the law, no matter where they attempt to hide.”

“Combatting cybercrime remains a top national security priority for to the United States,” said INL Principal Deputy Assistant Secretary of State Walsh. “The announcements today represent a coordinated interagency effort to bring Maksim Yakubets to justice and to address cybercrime globally.”

“This is a landmark for the NCA, FBI and U.S. authorities and a day of reckoning for those who commit cybercrime,” said NCA Director Jones. “Following years of online pursuit, I am pleased to see the real world identity of Yakubets and his associate Turashev revealed. Yakubets and his associates have allegedly been responsible for losses and attempted losses totalling hundreds of millions of dollars. This is not a victimless crime, those losses were once people’s life savings, now emptied from their bank accounts. Today the process of bringing Yakubets and his criminal associates to justice begins. This is not the end of our investigation, and we will continue to work closely with international partners to present a united front against criminality that threatens our prosperity and security.”

Yakubets and Turashev Indicted in Relation to “Bugat” Malware

A federal grand jury in Pittsburgh returned a 10-count indictment, which was unsealed today, against Yakubets and Turashev, charging them with conspiracy, computer hacking, wire fraud, and bank fraud, in connection with the distribution of “Bugat,” a multifunction malware package designed to automate the theft of confidential personal and financial information, such as online banking credentials, from infected computers. Later versions of the malware were designed with the added function of assisting in the installation of ransomware.

According to the indictment, Bugat is a malware specifically crafted to defeat antivirus and other protective measures employed by victims. As the individuals behind Bugat improved the malware and added functionality, the name of the malware changed, at one point being called “Cridex,” and later “Dridex,” according to the indictment. Bugat malware was allegedly designed to automate the theft of confidential personal and financial information, such as online banking credentials, and facilitated the theft of confidential personal and financial information by a number of methods. For example, the indictment alleges that the Bugat malware allowed computer intruders to hijack a computer session and present a fake online banking webpage to trick a user into entering personal and financial information.

*(*Continued On The Following Column)*

The indictment further alleges that Yakubets and Turashev used captured banking credentials to cause banks to make unauthorized electronic funds transfers from the victims’ bank accounts, without the knowledge or consent of the account holders. They then allegedly used persons, known as “money mules,” to receive stolen funds into their bank accounts, and then move the money to other accounts or withdraw the funds and transport the funds overseas as smuggled bulk cash. According to the indictment, they also used a powerful online tool known as a botnet in furtherance of the scheme.

Yakubets was the leader of the group of conspirators involved with the Bugat malware and botnet, according to the indictment. As the leader, he oversaw and managed the development, maintenance, distribution, and infection of Bugat as well as the financial theft and the use of money mules. Turashev allegedly handled a variety of functions for the Bugat conspiracy, including system administration, management of the internal control panel, and oversight of botnet operations.

According to the indictment, Yakubets and Turashev victimized multiple entities, including two banks, a school district, and four companies including a petroleum business, building materials supply company, vacuum and thin film deposition technology company and metal manufacturer in the Western District of Pennsylvania and a firearm manufacturer. The indictment alleges that these attacks resulted in the theft of millions of dollars, and occurred as recently as March 19, 2019.

Yakubets Charged in Relation to “Zeus” Malware

A criminal complaint was also unsealed in Lincoln today charging Yakubets with conspiracy to commit bank fraud in connection with the “Zeus” malware. Beginning in May 2009, Yakubets and multiple co-conspirators are alleged to have a long-running conspiracy to employ widespread computer intrusions, malicious software, and fraud to steal millions of dollars from numerous bank accounts in the United States and elsewhere. Yakubets and his co-conspirators allegedly infected thousands of business computers with malicious software that captured passwords, account numbers, and other information necessary to log into online banking accounts, and then used the captured information to steal money from victims’ bank accounts. As with Bugat, the actors involved with the Zeus scheme were alleged to have employed the use of money mules and a botnet.

Yakubets and his co-conspirators are alleged to have victimized 21 specific municipalities, banks, companies, and non-profit organizations in California, Illinois, Iowa, Kentucky, Maine, Massachusetts, New Mexico, North Carolina, Ohio, Texas, and Washington, identified in the complaint, including multiple entities in Nebraska and a religious congregation.

*(*Continued On The Following Page)*

According to the complaint, the deployment of the Zeus malware resulted overall in the attempted theft of an estimated \$220 million USD, with actual losses of an estimated \$70 million USD from victims' bank accounts. According to the complaint, Yakubets' role in the Zeus scheme was to provide money mules and their associated banking credentials in order to facilitate the movement of money, which was withdrawn from victim accounts by fraudulent means.

An individual charged as John Doe #2, also known as "aqua," was indicted in District of Nebraska in case number 4:11-CR-3074. The indictment in that case charges that individual and others with conspiracy to participate in racketeering activity, conspiracy to commit computer fraud and identity theft, aggravated identity theft, and multiple counts of bank fraud related to the Zeus scheme. As alleged, the complaint unsealed today associates use of the moniker "aqua" in the Zeus scheme to Yakubets.

In case number 4:11-CR-3074, two of the co-conspirators of "aqua," Ukrainian nationals Yuriy Konovalenko and Yevhen Kulibaba, were extradited from the United Kingdom to the United States. Konovalenko and Kulibaba both pleaded guilty in 2015 to conspiracy to participate in racketeering activity and have completed prison sentences that were imposed. Konovalenko and Kulibaba were previously convicted in the United Kingdom, after an investigation conducted by the Metropolitan Police Service, for their role in laundering £3 million GBP on behalf of the group responsible for the Zeus malware.

State Department \$5 million USD Reward

The U.S. Department of State's Transnational Organized Crime (TOC) Rewards Program is offering a reward of up to \$5 million for information on Yakubets. Cyber threats are a top national security threat to the United States, and the Department of State's TOC Rewards Program is one of the many tools used by U.S. authorities to bring significant cybercriminals to justice. Congress established the TOC Rewards Program in 2013 to support law enforcement efforts to dismantle transnational criminal organizations and bring their leaders and members to justice. The U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs manages the program in coordination with other U.S. federal agencies.

In addition to NCA, the law enforcement actions taken related to these two prosecutions were assisted by the efforts of law enforcement counterparts from The Netherlands, Germany, Belarus, Ukraine, and the Russian Federation.

*(*Continued On The Following Column)*

The FBI's Pittsburgh and Omaha Field Offices led the investigations of Yakubets and Turashev with assistance by the FBI's Major Cyber Crimes Unit and Global Operations and Targeting Unit. The prosecution in Pittsburgh is being handled by Assistant U.S. Attorney Shardul S. Desai of the Western District of Pennsylvania, and the prosecution in Lincoln is being handled by Senior Counsel William A. Hall, Jr., of the Criminal Division's Computer Crime and Intellectual Property Section (CCIPS) and Assistant U.S. Attorney Steven A. Russell of the District of Nebraska. The Criminal Division's Office of International Affairs provided significant assistance throughout the criminal investigations. The Department's National Security Division also provided investigative assistance.

The details contained in the indictment, criminal complaint and related pleadings are merely accusations, and the defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

Iran releases U.S. scholar imprisoned since 2016, foreign minister says

Princeton graduate student Xiyue Wang was arrested in 2016 while conducting research for his dissertation. He was convicted of espionage and sentenced to 10 years in prison. The State Department, Princeton and academics from across the country have insisted Wang's conviction was unjust. Iranian Foreign Minister Mohammad Javad Zarif made the announcement on Twitter on Saturday.

CBP to seize design patent counterfeits under proposed new law

Ben Wodecki

Dec 6 2019

US senators have proposed a bill allowing customs officials to seize counterfeit goods, which infringe design patents.

Trump's Embrace of Sanctions Irks Allies and Prompts Efforts to Evade Measures

Allies and adversaries are seeking ways to avoid President Trump's sanctions, which critics say have become a substitute for foreign policy.

WASHINGTON — President Trump's increasing reliance on economic sanctions to solve foreign policy problems is fueling concern that the United States is abusing its financial power and prompting some governments to seek ways to evade American measures. In recent months, the United States has increased pressure on Iran and Venezuela, dangled the removal of North Korean sanctions and, in only a few days, imposed, then reversed, sanctions against Turkey.

Now, American allies and adversaries alike are stepping up efforts to protect themselves in ways that could, over time, erode American power by undermining a key national security tool and diminishing the world's reliance on the dollar as the global reserve currency.

In October, Turkey and Russia agreed to a new system for international transactions that would use their local currencies instead of the dollar, which President Vladimir V. Putin of Russia said in October is being employed by the Trump administration as a "political weapon."

OFAC Issues a Finding of Violation to Aero Sky Aircraft Maintenance, Inc.

ENFORCEMENT INFORMATION FOR December 12, 2019
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.

ENTITY – 31 C.F.R. 501.805(d)(1)(i)

OFAC Issues a Finding of Violation to Aero Sky Aircraft Maintenance, Inc. for Violations of the Global Terrorism Sanctions Regulations: OFAC has issued a Finding of Violation to Aero Sky Aircraft Maintenance, Inc. ("Aero Sky"), a Texas company located in San Antonio, that negotiated and entered into a contract and contingent contract with Mahan Air in violation of the Global Terrorism Sanctions Regulations, 31 C.F.R. part 594 (GTSR).

*(*Continued On The Following Column)*

On October 12, 2011, OFAC designated Mahan Air, an Iranian commercial airline company, pursuant to Executive Order 13224 for providing financial, material, and technological support to the Islamic Revolutionary Guard Corps-Qods Force. Accordingly, Mahan Air is identified on OFAC's List of Specially Designated Nationals and Blocked Persons (the "SDN List"). OFAC determined that in 2016, Aero Sky violated § 594.201(a) of the GTSR by dealing in the property and interests in property of Mahan Air when Aero Sky negotiated and entered into a contract and a second contingent contract with Mahan Air (hereinafter referred to as the "Violations").

Aero Sky subsequently entered into bankruptcy proceedings and has since dissolved.¹ But for Aero's Sky dissolution, OFAC believes the facts presented in this matter would have justified a strong civil monetary penalty.

¹ OFAC is not aware of any successor entity.

² OFAC implemented GL I on March 24, 2016, and subsequently revoked GL I on June 27, 2018.

On December 19, 2016, after multiple rounds of negotiations with Mahan Air representatives, Aero Sky entered into Memorandum of Understanding (MOU) with Mahan Air and two other parties. The MOU called for the parties to, among other things, make reasonable efforts to collaborate in order to provide future non-exclusive maintenance and repair services to Mahan Air and to enter into a joint venture agreement. The MOU also included an appendix that stated that the MOU was contingent, in part, upon Mahan Air being removed from OFAC's SDN List.

Aero Sky was aware that Mahan Air was an entity identified on the SDN List. Prior to the negotiations of, and entry into, the contingent contract with Mahan Air, Aero Sky consulted legal counsel, who reviewed OFAC's website and determined that Mahan Air was listed as a Specially Designated Global Terrorist on OFAC's SDN List. Nonetheless, Aero Sky mistakenly determined that its negotiation of, and entry into, a contingent contract with Mahan Air was authorized under the scope of Iran General License I ("GL I"), Authorizing Certain Transactions Related to the Negotiation of, and Entry into, Contingent Contracts for Activities Eligible for Authorization Under the Statement of Licensing Policy for Activities Related to the Export or Re-export to Iran of Commercial Passenger Aircraft and Related Parts and Services.²

²

At the relevant time, GL I authorized certain transactions related to the negotiation of, and entry into, contingent contracts for activities eligible for authorization under the then-Joint Comprehensive Plan of Action Statement of Licensing Policy. However, GL I explicitly and specifically excluded transactions and dealings with any person whose property or interests in property were blocked pursuant to any part of 31 C.F.R. chapter V other than part 560.

*(*Continued On The Following Page)*

GL I did not authorize Aero Sky to enter into negotiations and a contract or contingent contract with Mahan Air. Therefore, Aero Sky dealt with a person whose property or property interests were blocked without authorization from OFAC in violation of § 594.201(a) of the GTSR. OFAC determined that Aero Sky did not voluntarily self-disclose the Violations. The determination to issue a Finding of Violation to Aero Sky reflects OFAC's consideration of the following facts and circumstances, pursuant to the General Factors Affecting Administrative Action (the "General Factors") as outlined in OFAC's Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, app. A, including, as noted above, the company's subsequent bankruptcy and dissolution. OFAC considered the following to be aggravating factors in this case:

(1) Aero Sky engaged in a reckless violation of the law by failing to exercise a minimal degree of caution or care by negotiating and entering into a contingent contract with an entity on the SDN List;

(2) A senior Aero Sky executive had actual knowledge of, and participated in, the conduct that led to the Violations; and

(3) Aero Sky undermined the policy objectives of the GTSR by dealing in blocked property or property interests of a high-profile entity identified on the SDN List— Mahan Air. Mahan Air was designated in 2011, approximately five years prior to the Violations. As OFAC has publicly documented on numerous occasions, Mahan Air supports terrorism by providing, among other things, financial, material and technological support to the Islamic Revolutionary Guard Corps-Qods Force, and support to the Iranian government's destabilizing activity in the Middle East. OFAC considered the following to be mitigating factors in this case:

(1) Aero Sky has not been subject to a Finding of Violation or penalty notice from OFAC in the five years preceding the date of the transaction giving rise to the Violations; and

(2) Aero Sky was a small company in poor financial condition that dissolved after the violations.

(*Continued On The Following Column)

This enforcement action demonstrates that any individuals or entities engaging in dealings or transactions with persons, regions, or countries subject to U.S. economic and trade sanctions in accordance with a specific or general license issued by OFAC should ensure they carefully review, and fully comply with, all of the terms and conditions of those licenses. The execution of a contract or contingent contract by a person subject to OFAC's jurisdiction with a person whose property and property interests are blocked is prohibited, unless authorized by OFAC or exempt by law. Furthermore, this enforcement action demonstrates the U.S. government's commitment to enforcing sanctions in response to prohibited dealings with designated Iranian airlines, such as Mahan Air. For example, on July 23, 2019, OFAC issued an Iran-Related Civil Aviation Industry Advisory to warn of deceptive practices employed by Iran with respect to aviation matters.

As noted in OFAC's A Framework for Compliance Commitments, issued in May 2019, risks in sanctions compliance are potential threats or vulnerabilities that, if ignored or not properly handled, can lead to violations of OFAC's regulations and negatively affect an organization's reputation and business. U.S. companies can mitigate sanctions risk by conducting risk assessments and exercising caution when doing business with entities that are affiliated with, or known to transact with, OFAC-sanctioned persons or jurisdictions, or that otherwise pose high risks due to their joint ventures, affiliates, subsidiaries, customers, suppliers, geographic location, or the products and services they offer. For more information regarding OFAC regulations, please go to: www.treasury.gov/ofac.

NOTE: In accordance with Title 17 U.S.C. Section 107, this material is distributed without profit or payment for non-profit news reporting and educational purposes only.

Reproduction for private use or gain is subject to original copyright restrictions.

Happy Holidays