

How to file an OFAC Voluntary Self- Disclosure and a CBP Prior Disclosure

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Iranian Transaction Regulations

31 CFR Part 560.204

No goods, technology, or services may be exported, re-exported, sold or supplied, directly or indirectly, from the United States or by a U.S. person to Iran or the Government of Iran, unless licensed.



Enforcement Guidelines OFAC Economic Sanctions

- Final Rule issued November 9, 2009
- Appendix “A” to 31 CFR Part 501



Base Penalty Matrix Egregious Case



	No	Yes
	(1) One-Half of Transaction Value (Capped at \$125,000 per violation/\$32,500 per TWEA Violation)	(3) One-Half of Applicable Statutory Maximum
Voluntary Self-Disclosure	(2) Applicable Schedule Amount (Capped at \$250,000 per violation/\$65,000 per TWEA violation)	(4) Applicable Statutory Maximum

General Factors

1. Willful or Reckless Violation of Law.
2. Awareness of Conduct at Issue.
3. Harm of Sanctions Program.
4. Individual Characteristics of Violator.
5. Remedial Response.
6. Cooperation with OFAC.



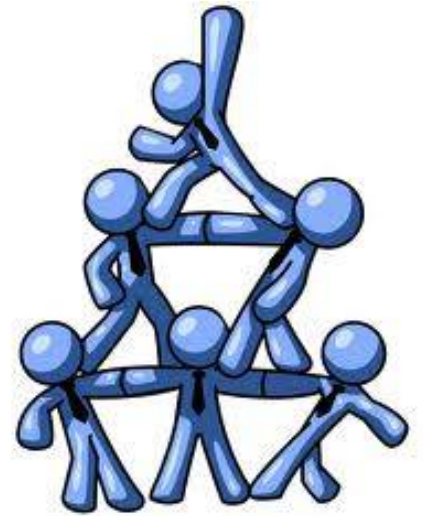
Special Mitigating Factors

1. Voluntary Self-Disclosure
2. Effective export compliance program
3. Violation was isolated occurrence
4. License would have been issued
5. Cooperating with Agency



Elements of an Effective Export Management and Compliance Program

1. Management Commitment
2. Continuous Risk Assessment
3. Formal written export management and compliance program
4. Ongoing training and awareness
5. Follow recordkeeping requirements
6. Periodic internal and external audits
7. Reporting procedure to export compliance problems.

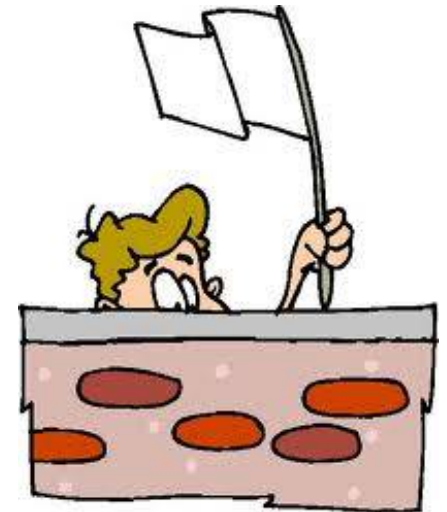


Changing Topics...

CBP Prior Disclosure

Prior Disclosure to US Customs for Export Violations

- Governed by:
 - 19 USC §1592
 - 19 CFR §162.24





CBP Prior Disclosure

1. Prior to initiation of a formal investigation
2. Submit to Fines, Penalties and Forfeitures Office at Port of Departure
3. Disclose circumstances of the violation

Practice Point – Submit OFAC Disclosure to
CBP

Disclosure of the Circumstances of a Violation

1. Identify the type of merchandise involved
2. Identify the entry number, if applicable, the dates of import or export, and the port(s) of import or export
3. Identify the materially false statements, omissions, or acts, and explain how and when they occurred.
4. State the true information that should have been provided

Practice Point – Request thirty (30) days to conduct thorough investigation of violation.

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