

ENFORCEMENT INFORMATION FOR June 25, 2014

Information concerning the civil penalties process is discussed in OFAC regulations governing the various sanctions programs and in 31 CFR part 501. On November 9, 2009, OFAC published as Appendix A to part 501 Economic Sanctions Enforcement Guidelines. See 74 Fed. Reg. 57,593 (Nov. 9, 2009). The Economic Sanctions Enforcement Guidelines, as well as recent final civil penalties and enforcement information, can be found on OFAC's Web site at www.treasury.gov/ofac/enforcement.

ENTITIES – 31 CFR 501.805(d)(1)(i)

Network Hardware Resale LLC Settles Potential Civil Liability for Apparent Violations of Multiple Sanctions Programs. Network Hardware Resale LLC (“NHR”) has agreed to pay \$64,758 to settle potential civil liability for apparent violations of the Sudanese Sanctions Regulations, 31 C.F.R. part 538 (the “SSR”), and the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (the “ITSR”),¹ that occurred between April 14, 2008, and January 6, 2011. Between approximately April 14, 2008, and January 6, 2011, NHR exported 16 shipments of networking equipment and related accessories from the United States to Sudan, and two shipments of networking equipment and related accessories from the United States destined for Iran.

OFAC determined that NHR voluntarily self-disclosed this matter to OFAC and that the apparent violations constitute a non-egregious case. The base penalty amount for the apparent violations was \$143,906.

The settlement amount reflects OFAC's consideration of the following facts and circumstances pursuant to the General Factors under OFAC's Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, app. A: NHR is a sophisticated company with worldwide operations that deals in telecommunications and networking equipment; NHR demonstrated reckless disregard for U.S. sanctions requirements by engaging in worldwide commerce without implementing even basic OFAC compliance measures prior to discovering the apparent violations; the apparent violations constitute a pattern of conduct consisting of 18 transactions over the course of almost three years; NHR took prompt corrective action in response to the apparent violations; NHR cooperated with OFAC during its investigation of the apparent violations, including by entering into a statute of limitations tolling agreement; and NHR has no prior sanctions history, including not being the subject of a penalty notice or Finding of Violation in the five years preceding the earliest date of the transactions giving rise to the apparent violations.

For more information regarding OFAC regulations, please go to: www.treasury.gov/ofac.

¹ On October 22, 2012, OFAC changed the heading of 31 C.F.R. part 560 from the Iranian Transactions Regulations to the Iranian Transactions and Sanctions Regulations (“ITSR”), amended the renamed ITSR, and reissued them in their entirety. See 77 Fed. Reg. 64,664 (Oct. 22, 2012). For the sake of clarity, all references herein to the ITSR shall mean the regulations in 31 C.F.R. part 560 in effect at the time of the activity, regardless of whether such activity occurred before or after the regulations were renamed.