

ENFORCEMENT INFORMATION FOR August 27, 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 <http://www.treasury.gov/ofac/enforcement>.

ENTITIES – 31 CFR 501.805(d)(1)(i)

Branch Banking & Trust Co. Settles Potential Civil Liability for an Apparent Violation of the Sudanese Sanctions Regulations: Branch Banking & Trust Co. (“BB&T”), Winston-Salem, North Carolina, has agreed to remit \$19,125 to settle potential civil liability for one apparent violation of § 538.205 of the Sudanese Sanctions Regulations (the “SSR”), 31 C.F.R. part 538.

On June 1, 2011, BB&T received instructions to process a \$20,000 funds transfer on behalf of its customer, destined for a third-country company's account at a foreign financial institution. BB&T's interdiction software stopped the payment for review due to a name in the payment details that appeared to match an entry on OFAC's List of Specially Designated Nationals and Blocked Persons (the “SDN List”). During the course of BB&T's investigation of the potential name match, the bank determined that the individual was a Sudanese national but failed to request additional information, such as a physical address. After determining that the name was not an SDN List match, a BB&T compliance specialist added a reference in the payment details that included, *inter alia*, “NATIONALITY: SUDANESE” and then approved the wire. When BB&T's interdiction software rescreened the transaction it failed to generate an alert because the software did not contain the word “Sudanese” (or other similar terms relating to OFAC-sanctioned countries such as “Burmese,” “Cuban,” or “Iranian”). After BB&T processed the transaction, the bank's customer notified it that the individual referenced in the payment details was located in Omdurman, Sudan, and that the payment was for merchandise being shipped to Sudan.

OFAC determined that BB&T did not voluntarily self-disclose the apparent violation and that the apparent violation constituted a non-egregious case. The base penalty amount for the apparent violation was \$25,000.

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. OFAC found the following to be aggravating factors in this case: BB&T was aware of the conduct giving rise to the apparent violation; BB&T's lack of appropriate stop descriptors demonstrated an inadequate compliance program with regard to its sanctions screening process; BB&T is a large and sophisticated financial institution; and BB&T failed to provide all responsive records to OFAC's administrative subpoena. OFAC considered the following to be mitigating factors: there was no actual harm to the sanctions program objectives because another financial institution rejected the transaction; BB&T has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the date of the

transaction giving rise to the apparent violation; and BB&T took appropriate remedial action in response to the apparent violation.

For more information regarding OFAC regulations, please visit: <http://www.treasury.gov/ofac>.