



DEPARTMENT OF THE TREASURY
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OFAC Settles with S&P Global, Inc. for \$78,750 Related to Apparent Violations of the Ukraine-Related Sanctions Regulations in 2016 and 2017

S&P Global, Inc. (“S&P Global”), a New York-based company that provides business information and financial analytics has agreed to pay \$78,750 to settle its potential civil liability for apparent violations of the Ukraine-Related Sanctions Regulations. The apparent violations occurred when S&P Global and a company it acquired reissued and redated multiple invoices to continue to extend credit to JSC Rosneft (“Rosneft”), a state-owned Russian oil company, in violation of the debt and equity restrictions set forth under Executive Order (E.O.) 13662. After reissuing and re-dating four invoices to extend the original payment dates, S&P Global ultimately accepted past-due payments totaling \$82,500 from Rosneft. The settlement amount reflects OFAC’s determination that S&P Global’s apparent violations were non-regious and not voluntarily self-disclosed.

Description of the Apparent Violations

In August 2016, S&P Global acquired Petroleum Industry Research Associates, Inc. (“PIRA”), a U.S. company that provided research and forecasting products and services to over 500 energy and commodity customers in 60 countries. Over the fall of 2016, S&P Global integrated PIRA’s business, including its ongoing contracts with JSC Rosneft (“Rosneft”), into S&P Global’s operations. Rosneft, Russia’s largest oil company, was placed on OFAC’s Sectoral Sanctions Identification List (“SSI List”) on July 16, 2014, pursuant to Directive 2 of E.O. 13662.¹ Under Directive 2, all transactions or other dealings in new debt of Rosneft of longer than 90 days maturity were prohibited.²

In August 2015, prior to its acquisition, PIRA issued an invoice for \$82,500 to Rosneft related to an ongoing subscription service that offered both bespoke advisory services and market analysis. Although the invoice had a payment due date of October 18, 2015, Rosneft did not pay it by the due date. Rosneft attempted to make payment in May 2016.

Upon receipt of Rosneft’s attempted transfer, PIRA’s bank rejected the payment. Rosneft notified PIRA of the rejection on June 2, 2016, informing it that the bank had stopped the payment “in accordance with the sanctions program” and that Rosneft would try again. Later that month, Rosneft made another attempt to make the payment. The U.S. financial institution at that point requested additional information from Rosneft to process the transfer. Rosneft did not respond to the request.

¹ [Blocking Property of Additional Persons Contributing to the Situation in Ukraine \(March 24, 2014\)](#).

² Announcement of Treasury Sanctions on Entities Within the Financial Services and Energy Sectors of Russia, Against Arms or Related Materiel Entities, and those Undermining Ukraine’s Sovereignty, [U.S. Department of Treasury Press Release](#), July 16, 2014; [Directive 2 \(as amended\) Under Executive Order 13662](#) (September 29, 2017).

Following the rejection of the first payment and the unprocessed second payment attempt, PIRA suggested in July 2016 that Rosneft pay the overdue invoice by check. At that point, Rosneft again informed PIRA that the rejected payments were “returned by the bank because of sanctions policy” and suggested that PIRA contact its U.S. financial institution.

In August 2016, having still not received payment for the August 2015 invoice, S&P Global employees (formerly PIRA employees) reissued and re-dated PIRA’s August 2015 invoice with a new date of August 26, 2016—374 days after the invoice for the debt was originally issued. In sending the revised invoice to Rosneft, S&P Global management emphasized to Rosneft the importance of timely payment, cautioning that “when the payment is made against an old invoice (as recent ones were), the bank may perceive that to be ‘extending credit’ to a Russian company, which we cannot do by law.” In October 2016, S&P Global received a \$55,000 wire transfer from Rosneft, partially settling the original \$82,500 invoice.

With \$27,500 remaining unpaid, S&P Global emailed Rosneft on November 14, 2016, about the balance. On November 22, 2016, S&P Global reissued the original August 2015 invoice once again — some 462 days after the invoice for the debt was originally issued — creating two “new” invoices of \$13,750 each, both with payment due upon receipt. Rosneft sent a \$13,750 payment for one of these two revised invoices on December 29, 2016.

By August 2017, Rosneft still had not paid the outstanding amount of \$13,750 due to S&P Global. S&P Global then reissued and re-dated a fourth invoice for Rosneft, dated September 5, 2017—749 days after PIRA had issued the original invoice. On October 6, 2017, Rosneft remitted \$13,750 to Respondent.

By transacting and otherwise dealing in new debt of longer than 90 days maturity when S&P Global extended the payment date of its invoices, S&P Global appears to have violated Directive 2 of E.O. 13662 and § 589.201 of the Ukraine-Related Sanctions Regulations, 31 C.F.R. part 589 (the “Apparent Violations”).

Penalty Calculations and General Factors Analysis

The statutory maximum civil monetary penalty applicable in this matter is \$1,246,248. OFAC determined that S&P Global did not voluntarily self-disclose the Apparent Violations and that the Apparent Violations constitute a non-egregious case. Accordingly, under OFAC’s Economic Sanctions Enforcement Guidelines (“Enforcement Guidelines”), 31 C.F.R. Part 501, app. A, the base civil monetary penalty applicable in this matter equals the applicable schedule amount, which is \$175,000.

The settlement amount of \$78,750 reflects OFAC’s consideration of the General Factors under the Enforcement Guidelines.

OFAC determined the following to be **aggravating factors**:

- (1) S&P Global (and prior to its acquisition, PIRA) failed to exercise a minimal degree of caution or care when it reissued and re-dated four invoices to extend the payment date of invoices far beyond the authorized debt tenor, knowing or having reason to know such conduct would violate U.S. sanctions regulations;
- (2) PIRA management, and later S&P Global managerial staff, were aware of and involved in the conduct giving rise to the Apparent Violations; and
- (3) PIRA was a commercially sophisticated entity and considered a leader in global energy market analysis, with over 500 customers in 60 countries. S&P Global is a large and commercially sophisticated company with an extensive global presence and operations.

OFAC determined the following to be **mitigating factors**:

- (1) S&P Global has not received a penalty notice or finding of violation from OFAC in the five years preceding the earliest date of the transactions giving rise to the Apparent Violations;
- (2) S&P Global took remedial measures by enhancing their compliance program to better ensure compliance with OFAC sanctions, creating more robust training, adding periodic testing to invoices involving SSI List entities, and adding additional staff to manage sanctions issues; and
- (3) S&P Global cooperated with OFAC during the investigation by submitting detailed documentation, being responsive to OFAC's requests, and entering into tolling agreements.

Compliance Considerations

This case underscores the importance of careful adherence to OFAC regulations, including in cases where counterparties may make compliance challenging. Companies who do business with entities on the SSI List, for example, must ensure that they comply with all aspects of the relevant Directives. Firms facing similar circumstances should contact OFAC if compliance becomes untenable due to actions or delays by their clients on the SSI List.³

This action also emphasizes the importance of U.S. companies conducting sanctions-related due diligence and taking active steps to extend their compliance programs, including training and monitoring, to newly incorporated businesses and their employees. After merger and acquisition transactions are complete, companies should continue to closely oversee their new business elements in addition to their existing units to identify any additional sanctions-related issues and take appropriate preventative or remedial measures.

³ On December 11, 2014, OFAC issued [FAQ 419](#) (revised November 28, 2017), which stated in part: "In the event that a U.S. person believes that it may not receive payment in full by the end of the relevant payment period, the U.S. person should contact OFAC to determine whether a license or other authorization is required."

OFAC Enforcement and Compliance Resources

On May 2, 2019, OFAC published [A Framework for OFAC Compliance Commitments](#) in order to provide organizations subject to U.S. jurisdiction, as well as foreign entities that conduct business in or with the United States or U.S. persons, or that use goods or services exported from the United States, with OFAC's perspective on the essential components of a sanctions compliance program. The *Framework* also outlines how OFAC may incorporate these components into its evaluation of apparent violations and resolution of investigations resulting in settlements. The *Framework* includes an appendix that offers a brief analysis of some of the root causes of apparent violations of U.S. economic and trade sanctions programs OFAC has identified during its investigative process.

Information concerning the civil penalties process can be found in the 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 civil penalties and enforcement information, can be found on OFAC's website at <https://home.treasury.gov/policy-issues/financial-sanctions/civil-penalties-and-enforcement-information>.

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