

## ENFORCEMENT INFORMATION FOR FEBRUARY 28, 2017

**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 website at [www.treasury.gov/ofac/enforcement](http://www.treasury.gov/ofac/enforcement).**

### ENTITIES – 31 CFR 501.805(d)(1)(i)

**United Medical Instruments Inc. Settles Potential Civil Liability for Alleged Violations of the Iranian Transactions and Sanctions Regulations:** United Medical Instruments, Inc. (UMI), a company incorporated in California, has agreed to settle its potential civil liability with OFAC in the amount of \$515,400 for 56 alleged violations of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR).<sup>1</sup> UMI's obligation to pay the settlement with OFAC will be satisfied by: (a) its compliance with the terms of its September 24, 2013 Settlement Agreement with the U.S. Department of the Commerce's Bureau of Industry and Security; and (b) its payment of \$15,400 to the U.S. Department of the Treasury.

OFAC alleged that, from on or about December 5, 2007 to on or about April 30, 2009, UMI violated §§ 560.204 and 560.208 of the ITSR on at least 56 occasions when it made sales of medical imaging equipment with knowledge or reason to know that the goods were intended specifically for supply or re-exportation to buyers located in Iran, and when it facilitated the sales of medical imaging equipment from a company located in the United Arab Emirates to Iran. The total value of the goods associated with these transactions was approximately \$2,493,597.

This settlement agreement 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 considered the following to be aggravating factors: (1) UMI willfully exported goods from the United States to Iran with actual knowledge and prior notice that such shipments constituted or likely constituted a violation of U.S. law; (2) UMI had actual knowledge that it required a license to send and/or export its products to Iran, as demonstrated by a November 2003 license application the company submitted to OFAC; and (3) UMI failed to effectively manage and enforce its compliance program.

OFAC considered the following to be mitigating factors: (1) the alleged violations occurred due to the actions of a single UMI employee rather than a systemic pattern of company-wide conduct; (2) UMI took remedial action in response to the alleged violations, including by voluntarily ceasing transactions involving Iran and by implementing new procedures and updating its compliance program to prevent the recurrence of similar sanctions violations; (3) UMI 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 alleged violations; (4) UMI

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<sup>1</sup> On October 22, 2012, OFAC changed the heading of 31 C.F.R. part 560 from the Iranian Transactions Regulations to the 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 and reissued.

cooperated with OFAC's investigation by providing timely responses to OFAC's correspondence and by entering into multiple statute of limitations tolling agreements; (5) UMI is a small business, as determined by the size standards set forth by the Small Business Administration; and (6) based on the financial condition of UMI, including significant financial difficulties experienced by the company in recent years, additional mitigation is warranted.

For more information regarding OFAC regulations, please go to: [www.treasury.gov/ofac](http://www.treasury.gov/ofac).