



DEPARTMENT OF THE TREASURY  
OFFICE OF FOREIGN ASSETS CONTROL

**ENFORCEMENT INFORMATION FOR December 7, 2007**

**Information concerning the civil penalty process is discussed in OFAC regulations governing the various sanctions programs or, in the case of sanctions regulations issued pursuant to the Trading with the Enemy Act, in 31 CFR part 501. Civil penalty procedures are also discussed in OFAC's proposed Enforcement Guidelines, 68 FR 4422 – 4429 (January 29, 2003). However, please note that, for banking institutions regulated by one of the agencies belonging to the Federal Financial Institutions Examination Council, the proposed enforcement guidelines have been withdrawn and replaced by an interim final rule ("Economic Sanctions Procedures for Banking Institutions"), 71 FR 1971 – 1976 (January 12, 2006), which has an effective date of February 13, 2006. Both the proposed Enforcement Guidelines and the interim final rule are available on OFAC's website, available at <http://www.treas.gov/offices/enforcement/ofac/civpen/enfguide.pdf>.**

**OFAC is now posting on this website copies of its final agency Penalty Notices with the relevant case reports to the extent permitted under applicable law.**

**The civil penalty settlement and assessed penalty listed below all were completed prior to the President's signing of the International Emergency Economic Powers Enhancement Act on October 16, 2007.**

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

**Chevron Corporation Settles Iraqi Sanctions Regulations Allegations:** Chevron Corporation has remitted \$2 million to OFAC as part of a \$30 million multi-agency settlement of alleged violations of the Iraqi Sanctions Regulations. The United Nations Oil-for-Food Program permitted the former Government of Iraq to sell its oil under certain limited conditions—namely, that the proceeds of all sales of Iraqi oil were to be deposited into an escrow bank account monitored by the United Nations and used to purchase various humanitarian goods for the benefit of the Iraqi people. Under the Oil-for-Food Program, the former Government of Iraq selected the companies and individual who received the rights to purchase Iraqi oil (frequently referred to as "allocations" of oil). From in or about 2000, up to and including in or about March 2003, the former Iraqi Government demanded the payment of secret illegal surcharges on allocations of Iraqi oil. From in or about April 2001, up through and including in or about May 2002, Chevron purchased Iraqi oil from third-party intermediaries and/or allocation holders. Although Chevron took certain steps designed to prevent the purchase from third parties of Iraqi oil on which illegal surcharges had been paid, OFAC alleged that such procedures proved inadequate and certain payments included illegal surcharges. Chevron did not voluntarily disclose this matter to OFAC. A joint press release on this matter may be found under the website for the United States Department of Justice, Southern District of New York <http://www.usdoj.gov/usao/nys/pressreleases/index.html> under entries for 11/14/07.

**MIC & Associates Assessed a Penalty for Violating the Sudanese Sanctions Regulations:** MIC & Associates ("MIC") has been assessed a \$2,750.00 civil monetary for its violation of the Sudanese Sanctions Regulations occurring on or about December 19, 2005. OFAC alleged that MIC attempted to facilitate the exportation of goods from the Ukraine to Sudan without an OFAC license. MIC did not voluntarily disclose this matter to OFAC. For a copy of OFAC's Penalty Notice issued to MIC, *please visit the following url:* <http://www.treas.gov/offices/enforcement/ofac/civpen/penalties/micwebpn.pdf>



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**For more information regarding OFAC regulations, please go to:**  
<http://www.treas.gov/offices/enforcement/ofac/legal/>.