

# U.S. SANCTIONS

Are you confident you are not violating OFAC requirements?

# Are you in **VIOLATION** of U.S. government sanctions?

Does your business...



...trade in foreign currencies?



...use foreign goods or components?



...have a parent, subsidiary or affiliate outside of the United States?



...work through a local agent or supplier with a connection outside the United States?

If so, you could be at risk of violating  
**Office of Foreign Assets Controls (OFAC)**  
and need to be fully aware of your obligations.

# Any business in the world can face **PENALTIES** for infringing OFAC sanctions...

OFAC stipulates that U.S. companies transacting in foreign currencies, utilizing foreign goods, operating with parent companies or subsidiaries outside of the U.S. or using suppliers with connections outside of the U.S. can't transact with entities that have been sanctioned. OFAC's sanctions list is expansive, updated regularly and covers individuals, businesses, vessels and states. It is a challenge for companies to keep up-to-date with these ever-changing risks.



# ...and OFAC's attention has **SHIFTED**

Until recently, OFAC focused primarily on financial services, but its attention has now broadened. Companies in a **variety of industries** have been penalized for violating U.S. sanctions, including...



Shipping and freight



Electronic components



Insurance



Telecommunications



Medical instruments



Luxury goods



Gas and oil



Technology

# When are OFAC sanctions **ENFORCEABLE?**

In 2019, the **average** OFAC penalty was

# \$58.6M\*

OFAC sanctions are enforced...



...without the need to prove criminal intent



...when sanctioned entities own just a small stake in a transacting party



...whether or not you are aware of the law

The OFAC fine is only one part of the penalty for breaching sanctions; other enforcement agencies will also issue penalties, making total fines significantly larger.

\*Source: [U.S. Treasury](#)

# What's the **BOTTOM LINE?**

Penalties and fines may steal the headlines, but they are often only a small part of the full cost, which may include:



Costs of remediation



Costs of legal counsel



Reputational damage

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Penalties are **TOUGHER** for repeat violations

On a first breach the cost of OFAC penalties can be mitigated somewhat through self-disclosure and cooperation. But if it happens again, subsequent fines typically receive no mitigation and result in **significantly higher penalties.**

# How can you **PROTECT** your business from sanctions risk?

The U.S. is only one of many countries that impose sanctions to accomplish their foreign policy and national security goals. In today's global economy, you must be confident that your business is compliant with all relevant sanctions programs. Keeping pace with multiple programs and ever-changing lists can seem complex, but it does not have to be.

The right combination of technology, risk data, and sanctions insight can help you develop and manage a comprehensive sanctions policy.



**LexisNexis® Risk Solutions** helps organizations around the globe develop sanctions controls – tailored to their risk appetite, which protect them from sanctions violations without impacting the customer experience.

**LexisNexis® Risk Solutions** can help you to  
successfully manage your sanctions risk.

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