


# OFAC SANCTIONS COMPLIANCE IS MANDATORY

Could you be doing business with a sanctioned individual or entity?


The Office of Foreign Assets Control (OFAC) has expanded its focus beyond financial institutions to include businesses across a wide variety of industries

**\$1.2B** OFAC enforcement actions for 2019 equal 26 and total over **\$1.2 billion**. **15** of those enforcements involve organizations that are not financial institutions.<sup>1</sup>

**81%** In recent years, **81% of fines levied by OFAC** were aimed at **non-bank organizations**.<sup>2</sup>

 A U.S. technology company was **penalized for violations of the 50% rule**—OFAC's second ever such fine.<sup>3</sup>

**\$7.8M** A recent OFAC penalty against a **non-bank firm** in February 2020 totaled over **\$7.8 million**.<sup>4</sup>


 2019 penalty amounts are **well over 2018's number of enforcements**, which was seven actions totaling nearly **\$72 million**.<sup>5</sup>





A proactive culture of OFAC sanctions compliance is the current regulatory expectation for every business


OFAC provided guidelines outlining the main tenets of an effective sanctions compliance program. These guidelines apply to businesses across every industry.




 **Top level commitment to sanctions compliance across the enterprise** demonstrated through the implementation and funding of a comprehensive program with an appointed OFAC sanctions compliance officer, adequate controls and overall enterprise-wide adherence to the program.

 **The establishment of a risk assessment strategy** that supports a risk-based approach on conducting due diligence of customers, client relationships and transactions, which should include the on-boarding and ongoing processes, as well as mergers and acquisitions.

 **Robust internal controls** that include well-defined policies and procedures to identify, interdict, escalate, report and keep records related to OFAC sanctions.


 **Effective levels of independent auditing and testing** to evaluate the efficacy of the sanctions compliance program.

 **Annual sanctions-specific training** to communicate the sanctions compliance responsibilities of each employee and build a deeper knowledge base across the business on sanctions compliance expectations and accountability.


It is imperative to protect your business from the impacts of an OFAC enforcement

-  **Exorbitant fines**
-  **Extensive reputational damage**
-  **Damaging remediation costs**
-  **Expensive business disruptions**
-  **Diminished shareholder value**


The time to put a robust sanctions compliance program in place is now


 **Uncover risky relationships** with customers, suppliers or third-party vendors before they impact your business

 An **effective sanctions program** can also protect your business against inadvertently playing a role in supporting trafficking, slavery, asset seizure and prohibiting financial inclusion

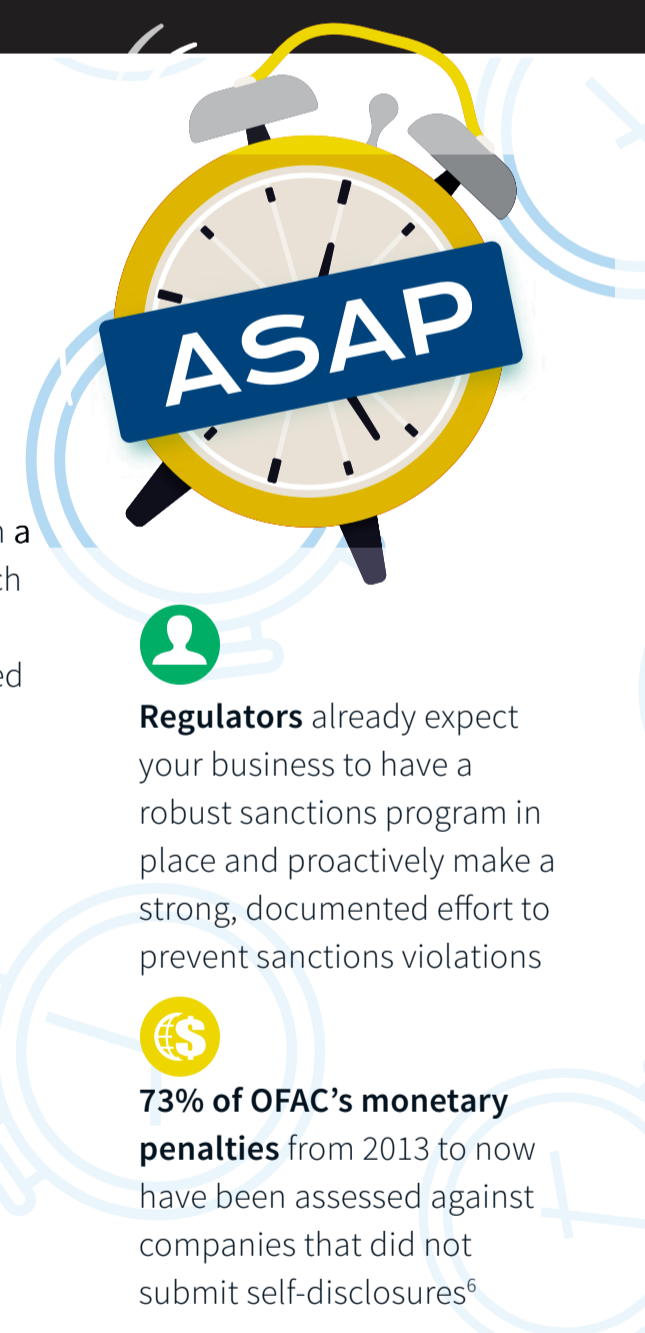
 **Current enforcement data** demonstrates the rate at which OFAC has expanded its pursuit of sanctions enforcements and the trajectory is rising rapidly

 The **new guidelines** formalize regulatory expectations and establish a measurement tool by which OFAC can calculate the extent of penalties assessed for violations

 The **volatile geopolitical environment** creates an ongoing challenge to continually track and stay current with evolving sanctions mandates

 **Regulators** already expect your business to have a robust sanctions program in place and proactively make a strong, documented effort to prevent sanctions violations

 **73% of OFAC's monetary penalties** from 2013 to now have been assessed against companies that did not submit self-disclosures<sup>6</sup>



Optimal OFAC compliance can coexist with core business objectives

A strong OFAC compliance program does not have to compromise your budget or operations timelines. **LexisNexis® Risk Solutions offers a full range of industry-trusted sanctions risk assessment tools** that can be tailored to reflect your risk appetite and realistic budget constraints.

Our solutions combine **award-winning global digital and physical risk intelligence with innovative technologies** to help quickly determine the sanctions risks your customers, vendors and third-party suppliers could represent.



Contact us to see how we can help you achieve an effective, cost-efficient sanctions strategy that supports your core business.

**Call 800-658-5638 or visit [risk.lexisnexis.com/FCC](https://risk.lexisnexis.com/FCC)**