

Report on Supply Chain Compliance Volume 2, Number 7. April 18, 2019 Venezuela and Cuba related enforcement actions; major settlement with Standard Charter Bank

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The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) designated two companies and 35 ships operating in the oil sector of Venezuela's economy. The actions further isolate Venezuela's state-run oil company, Petróleos de Venezuela, S.A., and also target Cuba for its trade in oil for personnel that, according to OFAC, helps to "ensure [Venezuelan President Nicolás Maduro Moros's] hold on power and complete social control over the people of Venezuela ..." and who have "contributed to Venezuela's failure."

On April 11, OFAC also announced a USD 227,500 settlement with Acteon Group Ltd., its subsidiary 2H Offshore Engineering Ltd. in the U.K., and 2H Offshore's Malaysian affiliates, 2H Offshore Engineering SDN BHD and 2H Offshore Engineering (Asia Pacific) Sdn Bhd. Acteon and its subsidiaries allegedly violated the Cuban Assets Control Regulations by working with Cuba to analyze and develop oil resources in Cuban waters.

In a separate case, OFAC announced a USD 213,866 settlement with KKR & Co. Inc., Acteon, and Acteon's subsidiaries Seatronics Ltd., Seatronics, Inc. and Seatronics Pte. Ltd. for allegedly renting or selling oil exploration equipment used by Cuban and Iranian companies, in violation of the Iranian Transactions and Sanctions Regulations and the Cuban Assets Control Regulations.

In one of the largest settlements involving sanctions and a major international bank, Standard Charter Bank PLC agreed to pay fines totaling USD 1.1 billion to several enforcement agencies in the U.S. and U.K., including OFAC, the U.S. Department of Justice, the New York State Department of Financial Services and the U.K.'s Financial Conduct Authority. The long-running settlement involves transactions of at least USD 240 million involving Iranian entities, which were in violation of the U.S. sanctions regime against Iran.

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