

Report on Supply Chain Compliance Volume 2, Number 23. December 12, 2019 Apple, Inc. agrees to settle alleged sanctions violations

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The United States Department of the Treasury's Office for Foreign Asset Control (OFAC) reached a settlement with Apple, Inc. for "apparent violations of the Foreign Narcotics Kingpin Sanctions Regulations, 31 C.F.R. part 598 (FNKSR)." ^[1]

According to the settlement agreement, starting in 2008 Apple had a relationship with SIS, a Slovenian software company. In 2015, OFAC designated SIS and Savo Stjepanovic, a director and majority owner of SIS, pursuant to the Foreign Narcotics Kingpin Designation Act. Despite having screening software and access to the data, Apple did not stop making payments to SIS or collecting payments from customers who downloaded SIS apps. It wasn't until after Apple enhanced its sanctions screening tool and related processes in 2017 that the company realized it had been doing business with a designated entity.

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