

## **ENFORCEMENT INFORMATION FOR February 3, 2017**

**Information concerning the civil penalties process can be found in the Office of Foreign Assets Control (OFAC) regulations governing each sanctions program; the Reporting, Procedures, and Penalties Regulations, 31 C.F.R. part 501; and the Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, app. A. These references, as well as recent final civil penalties and enforcement information, can be found on OFAC's Web site at [www.treasury.gov/ofac/enforcement](http://www.treasury.gov/ofac/enforcement).**

### **ENTITIES – 31 C.F.R. § 501.805(d)(1)(i)**

**OFAC Issues a Finding of Violation to B Whale Corporation, a Member of the TMT Group of Shipping Companies, for a Violation of the Iranian Transactions and Sanctions Regulations:** OFAC has issued a Finding of Violation to B Whale Corporation (BWC), a company based in Taipei, Taiwan and a member of the TMT Group of shipping companies (TMT), for a violation of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR). Between on or about August 30, 2013 and on or about September 2, 2013, BWC violated §§ 560.201 and 560.211 of the ITSR when its vessel, the M/V *B Whale*, conducted a ship-to-ship transfer with, and received 2,086,486 barrels of condensate crude oil from, the vessel M/T *Nainital*, a vessel owned by the National Iranian Tanker Company and identified on OFAC's List of Specially Designated Nationals and Blocked Persons (the "SDN List") at the time the transaction occurred.<sup>1</sup>

The transactions described above occurred after BWC entered into bankruptcy proceedings in the U.S. Bankruptcy Court for the Southern District of Texas on June 20, 2013. OFAC determined that BWC was a U.S. person within the scope of the ITSR because it was present in the United States for the bankruptcy proceedings when the transaction occurred. Additionally, the vessel M/V *B Whale* was subject to U.S. sanctions regulations because it was property under the jurisdiction of a U.S. bankruptcy court, and therefore the oil transferred to the vessel was an importation from Iran to the United States as defined in the ITSR.

The determination to issue a Finding of Violation to BWC in connection with the above transaction reflects OFAC's consideration of the following facts and circumstances, pursuant to the General Factors under OFAC's Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, app. A. OFAC considered the following to be aggravating factors: (1) BWC demonstrated reckless disregard for U.S. sanctions requirements while the company and its vessel were subject to U.S. jurisdiction; (2) BWC took steps to conceal a ship-to-ship transfer of Iranian oil with an Iranian vessel on the SDN List, including by leaving ship logs blank and switching off the vessel's automatic identification system during the time period corresponding with the ship-to-ship transfer; (3) BWC knew or should have known that this transaction involved Iranian-origin oil and an Iranian vessel on the SDN List; and (4) this transaction provided a significant benefit

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<sup>1</sup> On January 16, 2016, Implementation Day of the Joint Comprehensive Plan of Action, M/T *Nainital* was removed from the SDN List and added to the List of Persons Identified as Blocked Solely Pursuant to E.O. 13599. U.S. persons must, pursuant to Executive Order 13599 and the ITSR, continue to block the property and interests in property of the M/T *Nainital*.

to Iran because it allowed condensate crude oil from an Iranian vessel identified on the SDN List to be transported to a market in a manner that concealed its origin.

OFAC considered the following to be mitigating factors: (1) BWC has not been the subject of a penalty notice or Finding of Violation from OFAC in the five years preceding the transaction constituting the violation; and (2) all of BWC's assets appear to have been liquidated in bankruptcy.

For a copy of OFAC's Finding of Violation issued to BWC, please visit the following url: [https://www.treasury.gov/resource-center/sanctions/CivPen/Documents/20170203\\_bwc\\_fov.pdf](https://www.treasury.gov/resource-center/sanctions/CivPen/Documents/20170203_bwc_fov.pdf).

For more information regarding OFAC regulations, please go to: [www.treasury.gov/ofac](http://www.treasury.gov/ofac).