

OFAC Slaps Record Setting \$619 Million Civil Penalty on ING Bank, N.V.

June 21, 2012

On June 11, 2012, the Department of the Treasury's Office of Foreign Assets Control (OFAC) entered into a \$619 million settlement agreement with ING Bank, N.V. (ING) for violating U.S. sanctions concerning Cuba, Iran, Sudan, Burma, and Libya. This is the largest civil penalty that OFAC has ever issued. OFAC alleged that between 2002 and 2007, ING illegally processed over \$1.6 billion through U.S. banks by removing references to Cuba and Iran in transactions, authorizing fraudulent endorsement stamps for traveler's checks to be processed in Cuba, and illegally routing payments involving Cuban clients through non-sanctioned clients. The settlement agreement demonstrates OFAC's targeting of financial institutions and the extraterritorial reach of U.S. sanctions. Indeed, ING's European-based operations allegedly committed some of ING's most egregious violations of U.S. sanctions. ING entered into a Deferred Prosecution Agreement with the U.S. Department of Justice on the same date as the OFAC settlement. Thus, this settlement serves as a warning to financial institutions and companies with both U.S. and offshore operations that they should conduct periodic and comprehensive reviews of their operations to ensure compliance with U.S. sanctions.

Authors

Daniel B. Pickard
Partner
202.719.7285
dpickard@wiley.law
John R. Shane
Partner
202.719.7222
jshane@wiley.law

Practice Areas

International Trade