

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

)
)
In the Matter of)
)

Citibank, NA)
)
_____)

Case No. 17.04

ORDER

The Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce (“BIS”), has determined to initiate an administrative proceeding pursuant to Section 11(c) of the Export Administration Act of 1979, as amended (50 U.S.C. §§ 4601-4623 (Supp III 2015)) (the “Act”)¹ and the Export Administration Regulations (currently codified at 15 C.F.R Parts 730-774 (2018) (the “Regulations”), against Citibank, NA (“Bank”), a domestic concern, organized under the laws of the United States and doing business in the State of New York, based on allegations set forth in the Proposed Charging Letter, dated 7 June 2018, that alleged that the Bank committed twenty violations of the Regulations.

¹ Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent of which was August 15, 2017 (82 Fed. Reg. 39005 (August 16, 2017)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707 (2000)).

Specifically, the charges are:

1. *Twenty Violations of 15 C.F.R. §760.2(d) - Furnishing Information about Business Relationships with Boycotted Countries or Blacklisted Persons*

During the period January 2012 through March 2016, the Bank engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to Kuwait, Lebanon, Oman, Pakistan, Qatar and the United Arab Emirates, activities in the interstate or foreign commerce of the United States, as defined in Section 760.1(d) of the Regulations

In connection with these activities, on twenty occasions, the Bank, with intent to comply with, further or support an unsanctioned foreign boycott, furnished information, concerning another person's business relationships with other persons known or believed to be restricted from having any business relationship with or in a boycotting country, an activity prohibited by Section 760.2(d) of the Regulations, and not excepted.

BIS and the Bank have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby the parties have agreed to settle this matter in accordance with the terms and conditions set forth therein and the terms of the Settlement Agreement have been approved by me.

IT IS THEREFORE ORDERED THAT:

FIRST, a civil penalty of \$ 60,000 is assessed against the Bank and shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment of this sum shall be made in the manner specified in the attached instructions.

SECOND, pursuant to the Debt Collections Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (1983 and Supp. 2001)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice and, if payment is not made by the due date specified herein, the Bank will be assessed, in addition to the full amount of the penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, the timely payment of the sum of \$ 60,000 is hereby made a condition to the granting, restoration or continuing validity of any export license, permission, or privilege granted, or to be granted, to the Bank.

Accordingly, if the Bank should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of the Bank's export privileges for a period of one year from the date of the entry of this Order.

FOURTH, the Proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public, and a copy of this Order shall be served upon the Bank.

This Order, which constitutes the final agency action in this matter, is effective immediately.



Douglas R Hassebrock
Director, Office of Export Enforcement
Performing the non-exclusive duties and functions of the
Assistant Secretary for Export Enforcement.

Entered this 2 day of August, 2018

Attachments

INSTRUCTIONS FOR PAYMENT OF SETTLEMENT AMOUNT

1. The check should be made payable to:

U.S. DEPARTMENT OF COMMERCE

2. The check should be mailed to:

U.S. Department of Commerce
Bureau of Industry and Security
Room 6622
14th & Constitution Avenue, N.W.
Washington, D.C. 20230

Attention: Christine Wheeler

NOTICE

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty. It also specifies the amount owed and the date by which payment of the civil penalty is due and payable.

Under the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (1983 and Supp. 2001)) and the Federal Claims Collection Standards (65 Fed. Reg. 70390-70406, November 22, 2000, to be codified at 31 C.F.R. Parts 900-904), interest accrues on any and all civil monetary penalties owed and unpaid under the Order, from the date of the Order until paid in full. The rate of interest assessed respondent is the rate of the current value of funds to the U.S. Treasury on the date that the Order was entered. However, interest is waived on any portion paid within 30 days of the date of the Order. See 31 U.S.C. §3717 and 31 C.F.R. §901.9.

The civil monetary penalty will be delinquent if not paid by the due date specified in the Order. If the penalty becomes delinquent, interest will continue to accrue on the balance remaining due and unpaid, and respondent will also be assessed both an administrative charge to cover the cost of processing and handling the delinquent claim and a penalty charge of six percent per year. However, although the penalty charge will be computed from the date that the civil penalty becomes delinquent, it will be assessed only on sums due and unpaid for over 90 days after that date. See 31 U.S.C. §3717 and 4 C.F.R. §901.9.

The foregoing constitutes the initial written notice and demand to respondent in accordance with Section 901.2 of the Federal Claims Collection Standards (31 C.F.R. §901.2(b)).

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

In the Matter of
Citibank, NA

Case No. 17.04

SETTLEMENT AGREEMENT

This agreement is made by and between Citibank, NA (“Bank”), a domestic concern, and the Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce (“BIS”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2018) (the “Regulations”), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. §§ 4601-4623 (Supp III 2015)) (the “Act”).¹

¹ Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent of which was August 15, 2017 (82 Fed. Reg. 39005 (August 16, 2017)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707 (2000)).

WHEREAS, the Bank has voluntarily disclosed information concerning certain of its transactions to BIS; and

WHEREAS, BIS has notified the Bank of its intention to initiate an administrative proceeding against the Bank pursuant to the Act and the Regulations by issuing the Proposed Charging Letter dated 7 June 2018, a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, the Bank has reviewed the Proposed Charging Letter and is aware of the allegations against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; the Bank fully understands the terms of this Settlement Agreement, and enters into this Settlement Agreement voluntarily and with full knowledge of its rights; and the Bank states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, the Bank neither admits nor denies the truth of the allegations, but wishes to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, the Bank agrees to be bound by the appropriate Order ("Order") when entered;

NOW, THEREFORE, the Bank and BIS agree as follows:

1. Under the Act and the Regulations, BIS has jurisdiction over the Bank with respect to the matters alleged in the Proposed Charging Letter.
2. BIS will impose a civil penalty in the amount of \$ 60,000. The Bank will pay to the U.S. Department of Commerce, within 30 days from the date of entry of the Order, and in accordance with the terms of the Order, when entered, the amount of \$ 60,000 in complete settlement of all matters set forth in the Proposed Charging Letter.
3. The timely payment of the amount agreed to in paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to the Bank.

Failure to make payment of this amount shall result in the denial of all of the Bank's export privileges for a period of one year from the date of entry of the Order.

4. Subject to the approval of this Settlement Agreement, pursuant to paragraph 9 hereof, the Bank hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the Order, when entered) including, without limitation, any right to:
 - A. An administrative hearing regarding the allegations in the Proposed Charging Letter;
 - B. Request a refund of the funds paid by the Bank pursuant to this Settlement Agreement and the Order, when entered; or
 - C. Seek judicial review or otherwise contest the validity of this Settlement Agreement or the Order, when entered.

5. BIS, upon entry of the Order, will not initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against the Bank with respect to any violation of Section 8 of the Act or Part 760 of the Regulations arising out of the transactions set forth in the Proposed Charging Letter or any other transaction that was disclosed to or reviewed by BIS in the course of its investigation.

6. The Bank understands that BIS will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the Order, when entered.
7. This Settlement Agreement is for settlement purposes only, and does not constitute an admission by the Bank that it has violated the Regulations, or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement.

Therefore, if this Settlement Agreement is not accepted and the Order not entered by the Assistant Secretary for Export Enforcement, BIS may not use this Settlement Agreement against the Bank in any administrative or judicial proceeding.

8. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the Order, when entered, nor shall this Settlement Agreement bind, constrain or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances herein addressed.

This paragraph shall not limit the Bank's right to challenge any action brought by any other agency based on a referral by BIS or any employee thereof, in contravention of paragraph 5 of this Settlement Agreement.

9. This Settlement Agreement will become binding on BIS only when approved by the Assistant Secretary for Export Enforcement by entering the Order.

CITIBANK, NA



John J. Ahearn
Managing Director
Global Head Trade

DATE: 7/31/18

U.S. DEPARTMENT OF COMMERCE



Cathleen Ryan
Director
Office of Antiboycott Compliance

DATE: 1 AUGUST 2018

Attachment



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Industry and Security
Washington, D.C. 20230

PROPOSED CHARGING LETTER

7 June 2018

Citibank, NA
388 Greenwich Street
New York, NY 10013

Attention : John Ahearn,
Managing Director, Global Head Trade

Case No. 17-04

Gentlemen/Ladies:

We, the Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce ("BIS"), have reason to believe that you, Citibank NA, on twenty occasions, have violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2018)) (the "Regulations")¹, which are issued under the authority of the Export Administration Act of 1979, as amended (50 U.S.C. §§ 4601- 4623 (Supp III 2015)) (the "Act")².

We charge that you committed twenty violations of Section 760.2(d) of the Regulations, in that, on twenty occasions, with intent to comply with, further or support an unsanctioned foreign boycott, you furnished information concerning another person's business relationships with other persons known or believed to be restricted from having any business relationship with or in a boycotting country.

¹ The transactions and violations alleged occurred during the years 2012-2016. The Regulations governing the violations at issue are found in the 2012 through 2016 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2012, 2013, 2014, 2015 and 2016)). The prior years' Regulations are substantially the same as the 2018 version of the Regulations which governs the procedural aspects of this matter.

² Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent of which was August 15, 2017 (82 Fed. Reg. 39005 (August 16, 2017)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 -1707 (2006 & Supp. IV 2010)).



We allege that:

You, Citibank, NA are, and at all times relevant were, a domestic concern, organized under the laws of the United States and doing business in the State of New York; as such, you are a United States person, as defined in Section 760.1(b) of the Regulations.

During the period January 2012 through March 2016, you engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to Kuwait, Lebanon, Oman, Pakistan, Qatar and the United Arab Emirates, activities in the interstate or foreign commerce of the United States, as defined in Section 760.1(d) of the Regulations.

Charge 1 - 20 (15 C.F.R. § 760.2(d) - Furnishing Information about Business Relationships with Boycotted Countries or Blacklisted Persons)

In connection with the activities referred to above, during the period January 2012 through March 2016, on twenty occasions, you furnished to Letter of Credit Issuing Bank, information, as described in Table A, which is attached and incorporated herein by this reference, concerning another person's business relationships with other persons known or believed to be restricted from having any business relationship with or in a boycotting country.

Providing the information described in Table A, with intent to comply with, further or support an unsanctioned foreign boycott, is an activity prohibited by Section 760.2(d) of the Regulations, and not excepted. We therefore charge you with twenty violations of Section 760.2(d).

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions.³

You are entitled to a hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for it with your answer. Under Sections 766.3(a) and 766.4 of the Regulations, you are entitled to be represented by counsel or other authorized representative who has power of attorney to represent you and, under Section 766.18 of the Regulations, to seek a settlement agreement without a hearing.

³ Administrative sanctions may include any or all the following:

- a. A maximum civil penalty of the greater of \$289,238 per violation or twice the value of the transaction that is the basis of the violation (see 15 C.F.R. § 6.4(b)(4) and 81 Fed. Reg. 9532 (December 28, 2016)). The amount is subject to annual increases pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Sec. 701 of Public Law 114-74, enacted on November 2, 2015. (See also International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007)).
- b. Denial of export privileges (see § 764.3(a)(2) of the Regulations), and/or
- c. Exclusion from practice before BIS (see § 764.3(a)(3) of the Regulations).

Under the Small Business Regulatory Enforcement Flexibility Act, you may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter.⁴

If you fail to answer the allegations contained in this letter within thirty (30) days after service as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

As provided in Section 766.3, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between BIS and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter.

Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filed with:

U.S. Coast Guard ALJ Docketing Center
40 South Gay Street
Baltimore, Maryland 21202-4022

Attention: Administrative Law Judge

Also, in accordance with the instructions in Section 766.5(b) of the Regulations, a copy of your answer should also be served on the Bureau of Industry and Security at:

Office of the Chief Counsel for Industry and Security
Room H-3839
Bureau of Industry and Security
U.S. Department of Commerce
14th Street & Constitution Avenue, N.W.
Washington, D.C. 20230

Sincerely,

Cathleen Ryan
Director
Office of Antiboycott Compliance

Enclosures

⁴ To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman>.

TABLE A

**Schedule of Alleged Violations of Section 760.2(d)
Furnishing Prohibited Business Information**

**Citibank, NA
Case No. 17.04**

Item	Citibank Reference/ Document Furnished	Date Furnished	Boycotting Country	Information Furnished
1	Letter of Credit # 40075911/ Certificate	01.10.12	Oman	WE... CERTIFY THE AIRCRAFT IS ALLOWED TO ENTER LAND AT MUSCAT INT'L AIRPORT, SULTANATE OF OMAN.
2	Letter of Credit # 47085616/ Certificate	04.25.12	Qatar	THE VESSEL... IS ALLOWED/PERMITTED TO ENTER ARAB PORTS
3	Letter of Credit # 47086363/ Shipment Certificate	05.24.12	Qatar	IN ACCORDANCE WITH THE TERMS AND CONDITIONED (sic) OF THE SAID LETTER OF CREDIT... WE HEREBY CONFIRMED THAT THE CARRYING VESSEL IS PERMITTED TO ENTER ARAB PORTS
4	Letter of Credit # 47095905/ Certificate	09.12.13	Qatar	THIS IS TO CONFIRM THAT THIS VESSEL IS PERMITTED TO ENTER ARAB PORTS
5	Letter of Credit # 47096441/ Certificate	07.26.13	Lebanon	WE CERTIFY THAT THE LOADING VESSEL IS ALLOWED BY ARAB AUTHORITIES TO CALL AT ARABIAN PORTS DURING ITS VOYAGE TO DESTINATION
6	Letter of Credit # 47069009/ Certificate	09.25.13	U.A.E.	WE CERTIFY THAT... THE VESSEL IS PERMITTED TO ENTER ARABIAN PORTS
7	Letter of Credit # 47069009/ Certificate	10.01.13	U.A.E.	WE CERTIFY THAT... THE VESSEL IS PERMITTED TO ENTER ARABIAN PORTS

TABLE A

Schedule of Alleged Violations of Section 760.2(d)
Furnishing Prohibited Business Information

Citibank, NA
Case No. 17.04

Item	Bank of America Reference/ Document Furnished	Date Furnished	Boycotting Country	Information Furnished
8	Letter of Credit # 45069622/ Certificate	01.10.14	Oman	WE HEREBY CERTIFY THAT THE AIRCRAFT IS ALLOWED TO LAND AT MUSCAT, INT'L AIRPORT, SULTANATE OF OMAN.
9	Letter of Credit # 45070239/ Certificate	03.07.14	Oman	WE CERTIFY THE FOLLOWING:... THE VESSEL IS ALLOWED TO ENTER ARABIAN PORTS
10	Letter of Credit # 45071903/ Shipping Certificate	07.02.14	Oman.	WE HEREBY CERTIFY THAT ... THE VESSEL IS ALLOWED TO ENTER ARABIAN PORTS
11	Letter of Credit # 45074426/ Certificate	08.19.14	Lebanon	WE CERTIFY THAT THE CARRYING VESSEL IS ALLOWED BY ARAB AUTHORITIES TO CALL AT ARABIAN PORTS DURING ITS VOYAGE TO DESTINATION
12	Letter of Credit # 45075201/ Vessel Certificate	07.03.14	Qatar	THIS IS TO CERTIFY THAT THE CARRYING VESSEL: A) IS ALLOWED TO ENTER THE PORTS OF ARAB STATES...
13	Letter of Credit # 45076049/ Bill of Lading	08.07.14	Kuwait	THE CARRYING VESSEL IS ALLOWED TO ENTER KUWAITI PORTS
14	Letter of Credit # 47073853/ Certificate	02.23.15	U.A.E.	WE HEREBY CERTIFY THAT THE CARRYING VESSEL A) IS ALLOWED TO ENTER THE PORTS OF ARAB STATES...

TABLE A

**Schedule of Alleged Violations of Section 760.2(d)
Furnishing Prohibited Business Information**

**Citibank, NA
Case No. 17.04**

Item	Bank of America Reference/ Document Furnished	Date Furnished	Boycotting Country	Information Furnished
15	Letter of Credit # 47028899/ Certificate	01.29.16	Pakistan	CERTIFICATE...STATING THAT THE CARRYING VESSEL...IS ALLOWED TO ENTER IN PAKISTAN ACCORDING TO ITS RULES AND REGULATIONS
16	Letter of Credit # 47028999/ Certificate...	02.05.16	U.A.E.	WE...ACTING AS AGENT...HEREBY CERTIFY THAT THE CARRYING VESSEL IS: A) ALLOWED TO ENTER THE PORTS OF ARAB STATES...
17	Letter of Credit # 47028999/ Certificate	02.05.16	U.A.E.	WE CERTIFYING (sic) THAT THE CARRYING VESSEL:- A) IS ALLOWED TO ENTER THE PORTS OF ARAB STATES...
18	Letter of Credit # 47028999/ Certificate	02.05.16	U.A.E.	WE CERTIFYING (sic) THAT THE CARRYING AIRLINE IS ALLOWED BY ARAB AUTHORITIES TO CALL AT ARABIAN AIRPORTS DURING ITS VOYAGE TO THE UNITED ARAB EMIRATES
19	Letter of Credit # 47029520/ Shipping Company Certificate	03.29.16	U.A.E.	WE ARE STATING THAT: THE CARRYING VESSEL A) IS ALLOWED TO ENTER THE PORTS OF ARAB STATES
20	Letter of Credit # 47029520/ Shipping Company Certificate	03.28.16	U.A.E.	WE ARE STATING THAT: THE CARRYING VESSEL A) IS ALLOWED TO ENTER THE PORTS OF ARAB STATES