

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

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In the Matter of)
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Bank of America, NA)
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Case No. 16.03

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 (2017) (the “Regulations”), against Bank of America, NA (“Bank”), a domestic concern, organized under the laws of the United States and doing business in the State of Pennsylvania, based on allegations set forth in the Proposed Charging Letter, dated 31 August 2017, that alleged that the Bank committed thirteen 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. *One Violation of 15 C.F.R. §760.2(a) - Refusal To Do Business*

During the period November 2010 through July 2011, the Bank engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to the United Arab Emirates and Kuwait, 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 one occasion, the Bank, with intent to comply with, further or support an unsanctioned foreign boycott, knowingly agreed to require another person to refuse to do business with another person pursuant to an agreement with, a requirement of, or a request from or on behalf of a boycotting country, an activity prohibited by Section 760.2(a) of the Regulations, and not excepted.

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

During the period November 2010 through July 2011, the Bank engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to the United Arab Emirates and Kuwait, 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 eleven occasions, the Bank, with intent to comply with, further or support an unsanctioned foreign boycott, furnished information, concerning another person's business relationships with another person who is 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.

3. *One Violation of 15 C.F.R. §760.5 - Failing to Report the Receipt of a Request to Engage in a Restrictive Trade Practice or Foreign Boycott Against a Country Friendly to the United States*

During the period November 2010 through July 2011, the Bank engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to the United Arab Emirates and Kuwait, 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, the Bank, on one occasion, received a request to take an action which would have the effect of furthering or supporting a restrictive trade practice or unsanctioned foreign boycott. The Bank failed to report its receipt of this request to the Department of Commerce, as directed by Section 760.5 of the Regulations.

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 \$ 44,625 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.

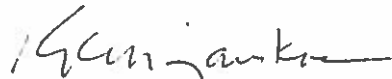
SECOND, pursuant to the Debt Collections Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (1983 and Supp. 2001)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice and, if payment is not made by the due date specified herein, the Bank will be assessed, 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 \$ 44,625 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.



Richard R. Majauskas
Acting Assistant Secretary of Commerce for
Export Enforcement

Entered this 13TH day of November, 2017

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

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In the Matter of)
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Bank of America, NA)
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Case No. 16 .03

SETTLEMENT AGREEMENT

This agreement is made by and between Bank of America, 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 (2017)) (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 31 August 2017, 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 \$ 44,625. 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 \$ 44,625 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.

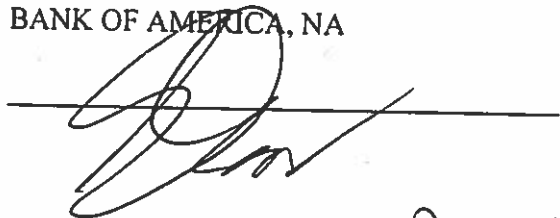
Therefore, if this Settlement Agreement is not accepted and the Order not entered by the Assistant Secretary for Export Enforcement, BIS may not use this Settlement Agreement against the Bank in any administrative or judicial proceeding.

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.

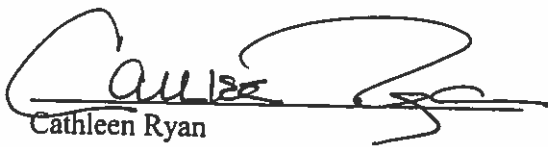
BANK OF AMERICA, NA



DATE: November 8, 2017

SAHANDBOJRBOR, DIRECTOR
GLOBAL ECONOMIC SANCTIONS EXECUTIVE

U.S. DEPARTMENT OF COMMERCE



Cathleen Ryan
Director
Office of Antiboycott Compliance

DATE: 9 NOVEMBER 17

Attachment



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

PROPOSED CHARGING LETTER

31 August 2017

Bank of America, NA
One Fleet Way
PA666-580-02-30
Scranton, PA 18507.1999

Attention : Sahand Boorboor,
Director & Global Economic Sanctions Executive

Case No. 16.03

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, Bank of America, NA, on thirteen occasions, have violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2017)) (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 one violation of Section 760.2(a) of the Regulations, in that, on one occasion, with intent to comply with, further or support an unsanctioned foreign boycott, you knowingly agreed to require another person to refuse to do business with another person pursuant to an agreement with, a requirement of, or a request from or on behalf of a boycotting country.

¹ The transactions and violations alleged occurred during the years 2010 and 2011. The Regulations governing the violations at issue are found in the 2010 and 2011 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2010 and 2011)). The prior years' Regulations are substantially the same as the 2017 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 also charge that you committed eleven violations of Section 760.2(d) of the Regulations, in that, on eleven occasions, with intent to comply with, further or support an unsanctioned foreign boycott, you furnished information concerning another person's business relationships with another person who is known or believed to be restricted from having any business relationship with or in a boycotting country.

Lastly, we charge that you committed one violation of Section 760.5 of the Regulations, in that, on one occasion you failed to report to the Department of Commerce ("Department") your receipt of a request to engage in a restrictive trade practice or boycott, as required by the Regulations.

We allege that:

You, Bank of America, 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 Pennsylvania; as such, you are a United States person, as defined in Section 760.1(b) of the Regulations.

During the period November 2010 through July 2011, you engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to the United Arab Emirates and Kuwait, activities in the interstate or foreign commerce of the United States, as defined in Section 760.1(d) of the Regulations.

Charge 1 (15 C.F.R. § 760.2(a) - Refusal To Do Business)

In connection with the activities referred to above, on or about January 20, 2011, on one occasion, as described in Table A, which is attached and incorporated herein by this reference, you advised to your beneficiary-customer a Letter of Credit issued by Gulf Bank Kuwait which set out a prohibited boycott-related condition.

You failed to delete, amend, or otherwise take exception to this condition.

By agreeing to this condition, with intent to comply with, further or support an unsanctioned foreign boycott, you knowingly agreed to require another person to refuse to do business with another person pursuant to an agreement with, a requirement of, or a request from or on behalf of a boycotting country, an activity prohibited by Section 760.2(a) of the Regulations, and not excepted. We therefore charge you with one violation of Section 760.2(a).

Charges 2 - 12 (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 November 2010 through July 2011, on eleven occasions, you furnished to Letter of Credit Issuing Bank, information, as described in Table B, 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 B, 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 eleven violations of Section 760.2(d).

Charge 13 (15 C.F.R. § 760.5 - Failing to Report the Receipt of a Request to Engage in a Restrictive Trade Practice or Foreign Boycott Against a Country Friendly to the United States)

In connection with the activities referred to above, on or about January 19, 2011, on one occasion, you received a request, as described in Table C, which is attached and incorporated herein by this reference, to take an action which would have the effect of furthering or supporting a restrictive trade practice or unsanctioned foreign boycott.

Section 760.5 of the Regulations requires United States persons to report to the Department their receipts of such requests. You failed to report to the Department your receipt of this request as required by the Regulations.

By failing to report your receipt of this request, as directed by Section 760.5 of the Regulations, you are in violation of Section 760.5. We therefore charge you with one violation of Section 760.5 of the Regulations.

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

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).

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.

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:

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

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

TABLE A

**Schedule of Alleged Violations of Section 760.2(a)
Refusal to Do Business**

**Bank of America, NA
Case No. 16.03**

Item	Bank of America Reference/ Letter of Credit #	Date Request Received	Date of Violation *	Boycotting Country	Agreement to Refuse to Do Business
1	Instrument # 66080528/ LC # GB/IMLC/11/00150	01.19.11	01.20.11	Kuwait	ALL VESSELS MUST BE AUTHORISED TO PASS BY ARAB PORTS

*Date On or About Letter of Credit advised to Beneficiary

TABLE B

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

**Bank of America, NA
Case No. 16.03**

Item	Bank of America Reference/ Document Furnished	Date Furnished	Boycotting Country	Information Furnished
1	Instrument # 2348194/ Certificate	11.10.10	U.A.E.	WE HEREBY CERTIFY THAT... THE VESSEL IS ALLOWED TO CALL AT ARAB PORTS
2	Instrument # 2348194/ Certificate	11.23.10	U.A.E.	WE HEREBY CERTIFY THAT... THE VESSEL IS ALLOWED TO CALL AT ARAB PORTS
3	Instrument # 66079376/ Certificate	01.12.11	U.A.E.	WE HEREBY CERTIFY THAT... THE VESSEL IS ALLOWED TO CALL AT ANY ARAB PORTS IN ACCORDANCE WITH THE RULES AND REGULATIONS OF ARAB AUTHORITIES
4	Instrument # 66079376/ Certificate	02.02.11	U.A.E.	WE HEREBY CERTIFY THAT: THE VESSEL IS ALLOWED TO CALL AT ANY ARAB PORTS IN ACCORDANCE WITH THE RULES AND REGULATIONS OF ARAB AUTHORITIES
5	Instrument # 66080528/ Certificate	02.18.11	Kuwait.	VESSEL AUTHORISED TO PASS BY ARAB PORTS
6	Instrument # 66079376/ Certificate	02.23.11	U.A.E.	WE HEREBY CERTIFY THAT: THE VESSEL IS ALLOWED TO CALL AT ANY ARAB PORTS IN ACCORDANCE WITH THE RULES AND REGULATIONS OF ARAB AUTHORITIES
7	Instrument # 66079376/ Certificate	03.21.11	U.A.E.	WE HEREBY CERTIFY THAT: THE VESSEL IS ALLOWED TO CALL AT ANY ARAB PORTS IN ACCORDANCE WITH THE RULES AND REGULATIONS OF ARAB AUTHORITIES

TABLE B

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

Bank of America, NA
Case No. 16.03

Item	Bank of America Reference/ Document Furnished	Date Furnished	Boycotting Country	Information Furnished
8	Instrument # 66079376/ Certificate	04.13.11	U.A.E.	WE HEREBY CERTIFY THAT: THE VESSEL IS ALLOWED TO CALL AT ANY ARAB PORTS IN ACCORDANCE WITH THE RULES AND REGULATIONS OF ARAB AUTHORITIES
9	Instrument # 66079376/ Certificate	04.29.11	U.A.E.	WE HEREBY CERTIFY THAT: THE VESSEL IS ALLOWED TO CALL AT ANY ARAB PORT IN ACCORDANCE WITH THE RULES AND REGULATIONS OF ARAB AUTHORITIES
10	Instrument # 66079376/ Certificate	05.06.11	U.A.E.	WE HEREBY CERTIFY THAT: THE VESSEL IS ALLOWED TO CALL AT ANY ARAB PORT IN ACCORDANCE WITH THE RULES AND REGULATIONS OF ARAB AUTHORITIES
11	Instrument # 66092274/ Certificate	07.19.11	U.A.E.	WE DO CERTIFY THAT... THE VESSEL IS PERMITTED TO ENTER ARABIAN PORTS

TABLE C

**Schedule of Alleged Violations of Section 760.5
Failure to Report Receipts of Boycott Requests**

Bank of America, NA
Case No. 16.03

Item	Bank of America Reference/ Letter of Credit #	Date Request Received	Date Reporting Violation*	Boycotting Country	Boycott Request
1	Instrument # 66080528/ LC # GB/IMLC/11/00150	01.19.11	04.30.11	Kuwait	ALL VESSELS MUST BE AUTHORISED TO PASS BY ARAB PORTS

* Where the person receiving the request is a United States person located in the United States, each report of requests must be postmarked by the last day of the month following the calendar quarter in which the request was received (§ 760.5(b)(4)(i)).