Background: The U.S. Treasury Department’s Office of Foreign Assets Control (OFAC) continues to administer major sanctions programs: Cuba, Iran, Sudan, Syria and the Crimea region of the Ukraine, as well as sanctions programs involving countries including North Korea, Burma (Myanmar), Cote D’Ivoire, Darfur, Belarus, Lebanon, Somalia, Yemen, Central African Republic, for example

License Applications and General Licenses:
Planned activities may be covered by existing General Licenses or by applying to OFAC for a specific license, such as seeking a license to attend an academic conference in Iran, or confirming that attending an academic conference in Cuba is covered by an existing General License. As seeking a specific license may take anywhere from six months to two years, it is important to consult with your local export control lead to review the planned international activity in advance and determine the best path forward.

The list of Office of Foreign Assets Control (OFAC) sanctioned individuals and entities are updated on a near daily basis, backed by Executive Orders. More sanctions are anticipated. The list of sanctioned individuals and entities may include academic and businesses with ties to UC activities. This requires us to screen potential international collaborators against government issued lists.

Sanctions not only apply to restricted parties, but prohibit specifically identified transactions by US persons wherever they are located. This could include sending a wire transfer to a foreign vendor, and US persons such as the UC are not only expected to reject these transactions but MUST report to OFAC any rejected transactions within 10 business days. Additionally, there is a class of people known as a Politically Exposed Persons (PEP’s) who although not sanctioned, require careful vetting to avoid transactions which violate the U.S. Foreign Corrupt Practices Act (FCPA).

Penalties:
Depending on the OFAC program, criminal penalties can include fines ranging from severe financial penalties to imprisonment ranging from 10 to 30 years. Civil penalties are currently being adjusted upwards as a result of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (the 2015 Act).

Current UC Tools for Monitoring and Auditing:
UCOP makes available to all locations, effective tools which assist in quickly screening the names of individuals and entities against sanctions lists, both on an ad hoc basis, as well as through automated “bulk” screening of financial accounts. These tools include:

- *eCustoms’ Visual Compliance* online screening tool. This tool is updated daily to reflect the latest additions to the sanctions lists, and provides online compliance functionality accurately manage rapidly changing sanctions lists and provides alerts when previously cleared parties are subsequently sanctioned.
- *Thomson Reuters’ Screening Online (WorldCheck).* ECAS performs this screening on behalf of UC locations upon request. With this tool, a location may ascertain if their foreign collaborators including foreign universities, are instrumentalities of foreign governments, or if their collaborators are PEP’s which are important determinations for anti-corruption compliance. (Available until November)
- International financial profile by location: ECAS is able to visually display a location’s financial disbursements on a worldwide “heat map” over the past four fiscal quarters, resulting in an international risk profile. This visualization further helps to identify high risk transactions.
The use of these tools has almost exclusively been within the domain of research compliance. The financial transactions sector should consider these tools given the high risk possible in this area. OFAC requires compliance with ALL sanctions rules and reputations; however OFAC does NOT mandate the existence or form of an OFAC compliance program.

**Needed Actions:**

The following guidance and actions are strongly proposed:

- Campus financial offices need to work with their local export control leads to establish a campus-wide OFAC Compliance Program, leveraging available tools such as Visual Compliance to screen for restricted and excluded parties and transactions as a regular business practice.
- Campuses need to actively screen all Russian and Ukrainian contacts, which may serve as an initial solution to better determine the campus’ risk profile (full screening of all vendor accounts and international personnel is recommended).
- Campuses should contact ECAS concerning any potential matches and to ascertain high risk candidates.

**Training and Education:**

- ECAS has developed training for all UC stakeholders on the use of tools for restricted party screening.
- ECAS issues “Compliance Alerts” with follow-up webinars for all key UC personnel to improve knowledge and understanding of the issues.
- Campus personnel should contact ECAS concerning any potential matches and to ascertain high risk transactions and parties.

**Policy and Guidance:**

- ECAS will work with stakeholders to develop policies and guidance to maintain compliance with sanction regulations and to prevent non-compliance and to protect both the University, as well as individual researchers from civil and criminal penalties.
- UC consider how campus financial profiles should be disseminated and utilized by individual locations.
- UC should decide how possible sanction/excluded party issues should be addressed, reported, etc.

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