

OFAC

\$3,377,715* in OFAC Civil Penalties Year-to-date!

All U.S. based businesses must comply with the Department of Treasury's Office of Foreign Assets Control (OFAC) requirements against doing business with targeted foreign countries, terrorists, narcotics traffickers and those engaged in activities related to the proliferation of weapons of mass destruction.

OFAC regulations require dealers to reference prospective customers against the Specially Designated Nations (SDN) list. Failing to comply can result in criminal charges, fines, and even potential imprisonment.

The OFAC restrictions are extremely broad, and there is no minimum dollar threshold. Therefore, the restrictions prohibit dealers from entering into a contract with a prohibited person for an oil change just as they prohibit dealers from entering into a contract with a prohibited person for the purchase of a high-end vehicle.

MenuVantage's automated OFAC compliance module is available on the FianceMenu and ServiceMenu. This module lets you verify the identity of your customers instantaneously and archive the information for a period of seven years to ensure accurate auditing and full compliance - protecting you from OFAC sanctions.

The screenshot shows a progress bar with six steps: 1 Choose Menu, 2 Deal Info, 3 Check Price, 4 Select Option (highlighted), 5 Select Package, and 6 Print Recap. Below the progress bar are 'Back' and 'Next' buttons. The main content area displays 'OFAC Status:' with 'Buyer: ✓ COMPLETE, No Matches Found' and 'Co-Buyer: ✗ Matches Found'. To the right, 'Red Flag Status:' shows 'Buyer: ✓ COMPLETE' and 'Co-Buyer: ✗ WARNING'. At the bottom, there are links for 'Additional Security Questions' and 'Contact Authorities'.

How much are the fines for violating OFAC regulations?

The penalties for noncompliance can be severe. Depending on the program, criminal penalties can include fines from \$50,000 to \$10 million, and imprisonment from 10 to 30 years for willful violations. Civil penalties can range from \$11,000 to \$1 million for each violation.

Look for more information on OFAC's Web site, including Frequently Asked Questions, at www.treas.gov/offices/enforcement/ofac/faq/index.html/

*<http://www.treas.gov/offices/enforcement/ofac/civpen/index.shtml>