



Is Your Organization at Risk for a Watch List Violation?

Organizations that do business within the U.S. are expected to screen individuals, companies and transactions against sanctions and politically exposed person (PEP) lists to deter illicit activities. Some organizations face higher scrutiny than others.

What draws a regulator's attention to your business? Look for these indications that your company could be at risk:



International Presence

Organizations must comply with Office of Foreign Assets Control (OFAC) regulations if they use American workers, goods, infrastructure or currency – even if their offices aren't in the U.S.

OFAC Settlement in 2021:

- Company:** Union de Banques Arabes et Françaises, France
- Fine:** \$8,572,500
- Reason:** Processing of internal transfers on behalf of Syrian entities that were followed by corresponding funds transfers through a U.S. bank



Import/Export Activities

Any organization that exchanges goods or materials with foreign entities is at risk, especially if they operate in heightened geo-political territories.

OFAC Settlement in 2021:

- Company:** Cameron International Corporation, Texas
- Fine:** \$1,423,766
- Reason:** Services to the Russian energy firm Gazprom Neft Shelf for an Arctic offshore oil project



Cryptocurrency

Cryptocurrency exchanges are a red flag for regulators because of their built-in anonymity and potential security vulnerabilities.

OFAC Settlement in 2021:

- Company:** BitPay, Inc., Georgia
- Fine:** \$507,375
- Reason:** Payment processing solution for merchants to accept digital currency as payment, for 2,102 apparent violations of multiple sanctions programs



New and Fringe Businesses

Nascent industries, like licensed cannabis operations, may be more susceptible to financial crime abuse. Financial institutions that serve them may also be under additional scrutiny.

2021 National Credit Union Administration Fine:

- Company:** Live Life Federal Credit Union, Michigan
- Penalty:** Requires implementation of anti-money laundering (AML) measures, including an automated monitoring system
- Reason:** Alleged compliance failures involving its cannabis banking services



Immature or Inadequate Controls

At-risk organizations should have a screening program in place. Its absence is a red flag to regulators.

OFAC Settlement in 2021:

- Company:** Payoneer Inc., New York
- Fine:** \$1,400,301.40
- Reason:** Online money transmitter and provider of prepaid access, for 2,260 apparent violations of multiple sanctions programs; the company failed to identify the compliance deficiencies that led to the apparent violations, most of which were not voluntarily disclosed

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