

U.S. DEPARTMENT OF THE TREASURY

Press Center



U.S. Treasury and Commerce Departments Announce \$9.4 Million Settlement with DHL

8/6/2009

United States Government reaches settlement with DHL for violation of Treasury, Commerce regulations

WASHINGTON – The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and the U.S. Department of Commerce's Bureau of Industry and Security (BIS) today announced a \$9.4 million settlement with DPWN Holdings (USA) Inc., formerly known as DHL Holdings (USA) Inc and DHL Express (USA) Inc. – collectively DHL – concerning shipments to Iran, Sudan and Syria and failures to meet recordkeeping requirements.

DHL has agreed to remit \$9,444,744 to settle alleged violations of the Iranian Transactions Regulations (ITR); the Sudanese Sanctions Regulations (SSR); the Reporting, Procedures and Penalties Regulations (RPPR) – collectively, the OFAC Regulations – and the Commerce Department's Export Administration Regulations (EAR).

"DHL's pervasive compliance failures allowed for numerous shipments to Iran and Sudan in apparent violation of Treasury and Commerce Department regulations," said OFAC Director, Adam J. Szubin. "Today's joint enforcement actions signal the U.S. Government's commitment to ensuring that sanctions laws – including recordkeeping requirements – are followed carefully."

OFAC alleged that between August 2002 and March 2007, DHL made more than 300 shipments to Iran and Sudan in violation of the ITR and SSR respectively. Additionally, OFAC alleged that between December 2002 and April 2006 the company failed to maintain required records with respect to numerous other shipments to Iran, in violation of the RPPR. OFAC Regulations prohibit the shipment of most goods to Iran and Sudan and require the maintenance of complete records on shipments for five years. Descriptions of the contents of the packages described above were missing from thousands of air waybills. Many of the shipments were intercepted and reported to OFAC by the U.S. Department of Homeland Security's Customs and Border Protection (CBP) ; this settlement with DHL was reached after a five and a half year investigation that was conducted with the assistance of CBP.

Along with significant improvements in its compliance program, DHL has also agreed to hire an unaffiliated third-party consultant to conduct audits of DHL's compliance with OFAC Regulations and the EAR from March 2007 through 2011.

###

