

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Treasury Announces \$91 Million Settlement with Weatherford International LTD. for Apparent Sanctions Violations

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*Treasury Settlement Part of Combined \$100 Million Settlement for Company's Activities Involving Iran, Cuba, and Sudan Sanctions Programs*

**WASHINGTON** – Today the U.S. Department of the Treasury reached the largest ever settlement outside of the banking industry for apparent violations of U.S. sanctions on Iran, Sudan, and Cuba with Weatherford International Ltd. and a number of its subsidiaries and affiliates (Weatherford). As part of a combined \$100 million settlement with several federal government partners, the Treasury Department announced a \$91 million agreement with Weatherford to settle its potential liability for these apparent violations. Today's action is the result of an exhaustive investigation by Treasury's Office of Foreign Assets Control (OFAC), along with other Federal agencies, which are also levying civil and criminal penalties against Weatherford for its egregious actions which compromised U.S. sanctions.

"Today's action underscores our deep commitment to target those who seek to violate our sanctions. Our dedicated staff of investigators will continue their important work to identify, expose, and take action to combat sanctions evasion wherever we find it," said OFAC Director Adam J. Szubin.

From 2003 to 2007, Weatherford conducted extensive oilfield services business in Iran which involved the direct or indirect exportation of goods, technology, and services to Iran, and the facilitation of those transactions by U.S. persons, totaling \$23,001,770. From 2005 to 2008, Weatherford conducted extensive business that provided oilfield equipment and services in which the government of Cuba or blocked Cuban nationals had an interest, including travel-related transactions by Weatherford employees to and from Cuba, totaling \$69,268,078. From 2005 to 2006, Weatherford conducted oilfield services business in Sudan which involved the direct or indirect exportation of goods, technology, and services from the United States to Sudan, totaling \$295,846.

These actions were apparent violations of the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560; the Cuban Assets Control Regulations, 31 C.F.R. part 515; and the Sudanese Sanctions Regulations, 31 C.F.R. part 538.

Under the settlement agreement, Weatherford is required to undergo external audits of its efforts to comply with the relevant U.S. sanctions law for calendar years 2012, 2013, and 2014.

As is standard practice, OFAC worked closely with its counterparts at other government agencies in the investigation of this matter. Today's OFAC settlement is simultaneous with Weatherford's settlements with the United States Attorney's Office for the Southern District of Texas, the Department of Commerce's Bureau of Industry and Security, the Department of Justice's Criminal Division, Fraud Section, and the United States Securities and Exchange Commission.

Weatherford's \$91 million settlement with OFAC will be deemed satisfied by the \$50 million in criminal fines and monetary penalties paid by Weatherford International Ltd. and two of its subsidiaries pursuant to their agreements with the U.S. Attorney's Office, as well as a \$50 million civil penalty paid to the Department of Commerce, for the same pattern of conduct.

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