



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

September 22, 2022

OIG-CA-22-022

**MEMORANDUM FOR ANDREA GACKI**  
**DIRECTOR, OFFICE OF FOREIGN ASSETS CONTROL**

**FROM:** Deborah L. Harker /s/  
Assistant Inspector General for Audit

**SUBJECT:** Termination Memorandum – Audit of the Office of Foreign Assets Control’s Iran Sanctions Program (Job Code A-MF-17-026)

In February 2017, we initiated an audit of the Office of Foreign Assets Control’s (OFAC) administration of the Iran Sanctions program. Our audit objectives were to determine whether (1) OFAC’s Iran Sanctions program complied with the 2016 Joint Comprehensive Plan of Action (JCPOA)<sup>1</sup> and applicable laws and regulations; and (2) sanction decisions and deliberations were properly documented and approved by OFAC officials. In July 2018, we issued an interim report<sup>2</sup> stating in brief, OFAC (1) complied with applicable laws and regulations and acted consistent with the JCPOA, and (2) properly documented and approved sanctions decisions and deliberations with regard to designations and general licenses. We also reported that OFAC’s processes for the designations and general licenses issued and amended were thorough, however, at the time of our review, OFAC lacked formalized and approved standard operating procedures (SOP). OFAC formalized SOPs as of December 28, 2017. Lastly, we said our office would issue a subsequent audit report concluding if OFAC properly documented and approved other sanction decisions and deliberations related to specific licenses.

To assess OFAC’s specific license process, we performed testing of Iran-related OFAC specific license case files opened during our scope period, July 1, 2016 through February 28, 2017. We reviewed all specific license applications during our scope period recorded in the OFAC Administrative System for Investigations and Sanctions to determine if the specific license applications were processed in

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<sup>1</sup> In July 2015, an international coalition, including the United States, reached the JCPOA with Iran to ensure that Iran’s nuclear program would be exclusively peaceful. However, in May 2018, the United States ceased its participation in the JCPOA, and in November 2018, fully re-imposed the sanctions on Iran that had been lifted or waived under the JCPOA.

<sup>2</sup> Office of Inspector General, *OFAC’s Iran Sanctions Program Processes Comply with Requirements* (OIG-18-047; July 12, 2018).

accordance with OFAC policy and if they were approved by appropriate OFAC officials. We concluded that, generally, Iran-related specific license application decisions and deliberations were properly documented and approved. However, we found instances where OFAC officials in one particular OFAC licensing division did not properly approve all specific license decisions. These decisions made without proper approval were responses, such as guiding the requestor to existing OFAC guidance or informing the applicant that their request was not accepted due to not providing enough information. We deemed these responses to be low risk compared to granting specific licenses, which would authorize otherwise prohibited activity. There was no evidence that OFAC licensed any activity without proper approval. Furthermore, these instances occurred prior to OFAC implementing the Licensing SOP in December 2017. The Licensing SOP is thorough and provides sufficient information to enable staff members to complete the fundamental steps necessary to process a specific license application. We found that if followed, the implemented Licensing SOP should mitigate instances where specific license decisions are not properly documented and approved by appropriate officials in the future.

Given that OFAC issued a Licensing SOP and our audit did not identify any systemic issues that presented a high risk, we believe that it is not necessary to issue a second report. Additionally, the United States has since ceased participation in the JCPOA. Accordingly, we are terminating this audit and may reassess OFAC's licensing program in a future audit. Also, please note that *Audit of OFAC's Iran Sanctions Program* (A-MF-17-026) will be removed from our Monthly Status Report.

We appreciate the courtesies and assistance provided by your staff. Should you have any questions concerning this audit, please contact me at (202) 927-5400 or Greg Sullivan, Audit Director, at (202) 927-5369.

Cc: Steven Inglis, Senior Advisor, Office of Foreign Assets Control