

## **Why is GAA Classic Cars requiring INDIVIDUALS who are registering as buyers or sellers to provide their social security number?**

The Federal Government has established guidelines for doing business or not doing business with individuals, companies or countries not sanctioned by the United States. This regulation is being administered by the Treasury Department. As a business open to the general public it is in GAA's best interest to adhere to this new regulation.

Here is some information we have gathered from the Treasury's website to clarify this for you. If you have further questions you can visit their website listed below.

### **What is OFAC and what does it do?**

The Office of Foreign Assets Control administers and enforces economic sanctions programs primarily against countries and groups of individuals, such as terrorists and narcotics traffickers. The sanctions can be either comprehensive or selective, using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals. [09-10-02]

### **Who must comply with OFAC regulations?**

All U.S. persons must comply with OFAC regulations, including all U.S. citizens and permanent resident aliens regardless of where they are located, all persons and entities within the United States, all U.S. incorporated entities and their foreign branches. In the cases of certain programs, such as those regarding Cuba and North Korea, all foreign subsidiaries owned or controlled by U.S. companies also must comply. Certain programs also require foreign persons in possession of U.S. origin goods to comply. [09-10-02]

### **What is an SDN?**

As part of its enforcement efforts, OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals" or "SDNs." Their assets are blocked and U.S. persons are generally prohibited from dealing with them. [09-10-02]

### **How much are the fines for violating these regulations?**

The fines for violations can be substantial. Depending on the program, criminal penalties for willful violations can include fines ranging up to \$20 million and imprisonment of up to 30 years. Civil penalties for violations of the Trading With the Enemy Act can range up to \$65,000 for each violation. Civil penalties for violations of the International Emergency Economic Powers Act can range up to \$250,000 or twice the amount of the underlying transaction for each violation. Civil penalties for violations of the Foreign Narcotics Kingpin Designation Act can range up to \$1,075,000 for each violation. [10-08-13]

<http://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>