

Obama Sanctions Seven Foreign Firms For Iran Dealings

Matthew Lee, Associated Press

WASHINGTON (AP) — The Obama administration on Tuesday hit seven foreign companies, including Venezuela's state-owned oil company and an Israeli shipping firm, with sanctions for doing business with Iran that helps fund its nuclear program. At the same time, the administration imposed separate sanctions on more than 15 people and companies in China, Iran, North Korea, Syria and elsewhere for illicit trading in missile technology and weapons of mass destruction.

The State Department announced the penalties as the administration widened the scope of measures against firms that supply or transport refined petroleum products, including gasoline, to Iran. The announcement came a day after President Barack Obama signed an executive order giving the departments of Treasury and State more leeway in targeting companies involved in Iran's energy sector in order to boost pressure on Iran to meet international demands and prove its nuclear program is peaceful.

The sanctions are the first specifically related to refined petroleum exports to Iran since legislation to allow for such measures was approved last year by Congress and signed into law by Obama. Nine other companies have been hit with sanctions under broader provisions of the law.

The affected companies include Petroleos de Venezuela, Tanker Pacific of Singapore, Ofer Brothers Group of Israel, Associated Shipbroking of Monaco, Petrochemical Commercial Company International of Jersey and Iran, the Royal Oyster Group of the United Arab Emirates and Speedy Ship of the United Arab Emirates and Iran.

"All of these companies have engaged in activities related to the supply of refined petroleum products to Iran, including the direct supply of gasoline and related products," Deputy Secretary of State James Steinberg said in announcing the sanctions. U.S. officials say Iran uses revenue from its energy sector to fund its nuclear program. "Those who continue to irresponsibly support Iran's energy sector and help facilitate Iran's efforts to evade U.S. sanctions will face serious consequences."

For the most part, the sanctions will cut the companies off from business with the United States, although Steinberg said the penalties had been tailored to fit each firm. Petroleos de Venezuela, for example, will be barred from any U.S. government contracts, U.S. import-export financing and export licenses for sensitive technology. But it will not be banned from selling oil to the United States or affect any of its subsidiaries, including the U.S. firm Citgo.

Obama Sanctions Seven Foreign Firms For Iran Dealings

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Petroleos de Venezuela, or PDVSA, has delivered at least two cargoes of refined petroleum products worth about \$50 million to Iran between Dec. 2010 and March, according to the State Department.

The Israeli company, along with Tanker Pacific of Singapore, are accused of failing to exercise due diligence in participating in the 2010 sale of an oil tanker to the Iranian national shipping company, which is already under U.S. and European sanctions. The two firms are now barred from getting loans of more than \$10 million from American banks and from getting U.S. export licenses.

The administration credits the sanctions law with persuading five major multinational oil firms to withdraw from business deals with Iran and convince major insurers such as Lloyd's of London to stop covering shipments of refined petroleum to Iran. The State Department says it has also convinced jet fuel suppliers in 17 European nations to which Iran Air flies to stop providing fuel to its planes.

In addition to the Iran sanctions, the administration imposed penalties on 16 individuals and firms from Belarus, China, North Korea, Syria and Venezuela for violating the Iran, North Korea, and Syria Nonproliferation Act by selling or buying sensitive equipment and technology related to nuclear, chemical and biological weapons and ballistic missile systems.

Those affected by the sanctions will be barred from any U.S. government contracts, U.S. assistance, banned from purchasing American defense articles and denied licenses to sell them for a period of two years.

The sanctions affect the Belarusian Optical Mechanical Association and BelTechExport of Belarus; Karl Lee, Dalian Sunny Industries, Dalian Zhongbang Chemical Industries Company and Xian Junyun Electronic of China; Milad Jafari, the Defense Industries Organization, the Islamic Republic of Iran Shipping Lines, the Islamic Revolutionary Guard Corps Qods Force, SAD Import-Export Company and Shahid Bakeri Industries Group of Iran; Tangun Trading of North Korea; the Industrial Establishment of Defense and Scientific Studies and Research Center of Syria and Venezuela's Military Industries Company.

Source URL (retrieved on 01/29/2015 - 1:28pm):

<http://www.impomag.com/news/2011/05/obama-sanctions-seven-foreign-firms-iran-dealings>