

ICOTT **INDUSTRY COALITION ON TECHNOLOGY TRANSFER**
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DEPARTMENT OF THE TREASURY
FOREIGN ASSETS CONTROL
2002 JUL 23 P 3:20

July 11,2002

Chief of Records
ATTN: Request for Comments
Office of Foreign Assets Control
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington DC 20220

Re: Proposed Rule—Rules Governing Availability of Information, 67 Fed. Reg. 41658 (June 19,2002)

Dear Sir or Madam:

The Industry Coalition on Technology Transfer (ICOTT) appreciates the opportunity to comment on a proposed OFAC rule governing the public release of information regarding civil penalties (“Proposed Rule”).

First and foremost, we are gratified that OFAC has sought public comment on the Proposed Rule. Whether or not such advance notice is required by law, we believe that there should be a strong presumption in its favor. Absent exigent circumstances requiring quick action, exposing proposed regulations to public comment can only assist OFAC in administering the law, as it can point up shortcomings in drafting or other salient considerations that OFAC may have overlooked. Thus, putting aside the substance of the Proposed Rule, ICOTT applauds its publication in proposed form and strongly encourages OFAC to continue this practice in respect of future rules.

Second, the unadorned announcement that an entity has paid a civil penalty for violating an OFAC regulation can lead to considerable bad publicity. Both as a matter of fairness and in order to encourage voluntary disclosures of suspected violations, OFAC should include in its description of each penalty whether the violation was disclosed voluntarily and whether the respondent cooperated in OFAC’s investigation of the matter. This is standard practice under the penalty program of the Commerce Department’s Bureau of Industry and Security, and we believe it has worked well for all concerned.

Third, whether penalty announcements are released on a periodic basis, as the Proposed Rule contemplates, or as each penalty agreement becomes final, respondents—particularly those who have made voluntary disclosures or cooperated with OFAC—should have at least an

