



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

SETTLEMENT AGREEMENT

This settlement agreement (the “Agreement”) is made by and between the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) and Generali Global Assistance, Inc. (hereafter “Respondent” or “GGA”).

I. PARTIES

OFAC administers and enforces economic sanctions against targeted foreign countries, regimes, terrorists, international narcotics traffickers, and proliferators of weapons of mass destruction, among others. OFAC acts under Presidential national emergency authorities, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction.

Generali Global Assistance, Inc. (GGA), formerly named Europ Assistance USA, Inc. (EA USA), is a New York-incorporated travel assistance services company that provides travel and claims services on behalf of clients that offer global medical expense and travel insurance policies and other travel-related services to individuals traveling abroad (collectively “subscribers”). Clients contract with GGA as a travel service provider (“TSP”) to administer, service, and deliver benefits provided under their group and individual insurance policies that include a wide range of travel services for subscribers traveling abroad.

II. APPARENT VIOLATIONS

On June 25, 2015, Respondent submitted a voluntary self-disclosure to OFAC. OFAC opened an investigation into Respondent’s activities (COMPL 2015-545066) and requested additional information and documentation from Respondent. OFAC’s review of Respondent’s submissions identified conduct that appears to have violated the Cuban Assets Control Regulations, 31 C.F.R. part 515 (CACR). Specifically, from on or about June 26, 2010 to on or about January 15, 2015, GGA processed 2,593 claims reimbursements involving property in which Cuba or a Cuban national had an interest, in apparent violation of § 515.201 of the CACR (referred to hereafter as the “Apparent Violations”).

OFAC determined that GGA voluntarily self-disclosed the Apparent Violations and that the Apparent Violations constitute an egregious case.

III. FACTUAL STATEMENT

Between at least June 26, 2010, and January 15, 2015, GGA served as a TSP for two Canadian insurers that offered medical expense reimbursement and other travel services pursuant to individual and group travel insurance policies for non-U.S. Canadian subscribers who travelled to Cuba (referred to herein as “Canadian travelers”). In particular, GGA provided medical expense claims processing and payment services in support of claims paid to Canadian

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travelers who were insured under a group policy issued by one of those Canadian insurers (referred to herein as “Group Client 1”).

GGA dealt in blocked property in which Cuba or a Cuban national had an interest by (i) providing prohibited post-travel claim reimbursements directly to Canadian travelers who had travelled to Cuba, and (ii) providing for the indirect payment of claims to Cuban service providers through a Canadian affiliate. With respect to the individual Canadian travelers, GGA processed claims and made direct post-trip reimbursement payments to the travelers in the same manner as other travel destinations. For direct payments requested for Cuban service providers, GGA procedures provided for referral of those requests to a Canadian affiliate. GGA would then reimburse the Canadian affiliate if it paid the Cuban service providers. GGA codified this referral process in its procedures manual, which provided instructions to GGA employees on how to service Canadian travelers’ policies. GGA drafted this policy in 2010 and updated it in 2013.

GGA had a sanctions compliance policy in place at the time of the Apparent Violations that required individuals and providers be screened against individuals or entities on OFAC’s List of Specially Designated Nationals and Blocked Persons (“SDN List”), but GGA’s procedures failed to require screening for countries and regions subject to OFAC prohibitions.

GGA engaged in the transactions covered by this Settlement Agreement in support of Group Client 1’s policies between June 26, 2010, and January 15, 2015, which was prior to the Cuba sanctions regulatory changes enacted in January 2015. In servicing these policies, GGA processed 2,593 transactions with a value of \$285,760 in apparent violation of § 515.201 of the CACR.

IV. TERMS OF SETTLEMENT

OFAC and Respondent agree as follows:

1. In consideration of the undertakings of Respondent in paragraph 2 below, OFAC agrees to release and forever discharge Respondent, without any finding of fault, from any and all civil liability in connection with the Apparent Violations arising under the legal authorities that OFAC administers.
2. In consideration of the undertakings of OFAC in paragraph 1 above, Respondent agrees and represents:
 - A. Within fifteen (15) days of the date Respondent receives the unsigned copy of this Agreement, to:
 - (i) sign, date, and send a digital copy of this agreement to Alexandre Manfull at Alexandre.Manfull@treasury.gov. Respondent should retain a copy of the signed Agreement and a receipt or other evidence that shows the date that Respondent sent a digital copy of the signed Agreement to OFAC; and

- (ii) pay or arrange for the payment to the U.S. Department of the Treasury the amount of \$5,864,860. Respondent's payment must be made either by electronic funds transfer in accordance with the enclosed "Electronic Funds Transfer (EFT) Instructions," or by cashier's or certified check or money order payable to the "U.S. Treasury" and referencing **COMPL 2015-545066**. Unless otherwise arranged with the U.S. Department of the Treasury's Bureau of the Fiscal Service, Respondent must either:
 - (1) indicate payment by electronic funds transfer, by checking the box on the signature page of this Agreement; or
 - (2) enclose with this Agreement the payment by cashier's or certified check or money order.

- B. To waive (i) any claim by or on behalf of Respondent, whether asserted or unasserted, against OFAC, the U.S. Department of the Treasury, or its officials and employees arising out of the facts giving rise to the enforcement matter that resulted in this Agreement, including but not limited to OFAC's investigation of the Apparent Violations, and (ii) any possible legal objection to this Agreement at any future date.

- C. **Compliance Commitments:** Respondent has terminated the conduct described above and has established, and agrees to maintain for at least five years following the date this Agreement is executed, sanctions compliance measures that are designed to minimize the risk of recurrence of similar conduct in the future. Specifically, OFAC and Respondent understand that the following compliance commitments have been made:
 - a. **Management Commitment:**
 - i. Respondent commits that senior management has reviewed and approved Respondent's sanctions compliance program.
 - ii. Respondent commits to ensuring that its senior management, including senior leadership, executives, or the board of directors, are committed to supporting Respondent's OFAC compliance program.
 - iii. Respondent commits to ensuring that its compliance unit(s) are delegated sufficient authority and autonomy to deploy its policies and procedures in a manner that effectively controls Respondent's OFAC risk.
 - iv. Respondent commits to ensuring that its compliance unit(s) receive adequate resources—including in the form of human capital, expertise, information technology, and other resources, as appropriate—that are relative to Respondent's breadth of operations, target and secondary markets, and other factors affecting its overall risk profile.

- v. Respondent commits to ensuring that senior management promotes a “culture of compliance” throughout the organization.

b. Risk Assessment:

- i. Respondent represents that it will conduct an OFAC risk assessment in a manner, and with a frequency, that adequately accounts for potential risks. Such risks could be posed by its clients and customers, products, services, supply chain, intermediaries, counter-parties, transactions, and geographic locations, depending on the nature of the organization.
- ii. Respondent represents that it has developed a methodology to identify, analyze, and address the particular risks it identifies. The risk assessments will be updated to account for the conduct and root causes of any apparent violations or systemic deficiencies identified by Respondent during the routine course of business, for example, through a testing or audit function.

c. Internal Controls:

- i. The Respondent has designed and implemented written policies and procedures outlining its sanctions compliance plan. These policies and procedures are relevant to the organization, capture Respondent’s day-to-day operations and procedures, are easy to follow, and designed to prevent employees from engaging in misconduct.
- ii. The organization has implemented internal controls that adequately address the results of its OFAC risk assessment and profile. These internal controls should enable Respondent to clearly and effectively identify, interdict, escalate, and report to appropriate personnel within the organization transactions and activity that may be prohibited by OFAC. To the extent information technology solutions factor into Respondent’s internal controls, Respondent has selected and calibrated the solutions in a manner that is appropriate to address Respondent’s risk profile and compliance needs, and Respondent routinely tests the solutions to ensure effectiveness.
- iii. Respondent commits to enforcing the policies and procedures it implements as part of its sanctions compliance internal controls through internal or external audits.
- iv. Respondent commits to ensuring that its OFAC-related recordkeeping policies and procedures adequately account for its requirements pursuant to the sanctions programs administered by OFAC.

- v. Respondent commits to ensuring that, upon learning of a weakness in its internal controls pertaining to sanctions compliance, it will take immediate and effective action, to the extent possible, to identify and implement compensating controls until the root cause of the weakness can be determined and remediated.
- vi. Respondent has clearly communicated the sanctions compliance plan's policies and procedures to all relevant staff, including personnel within the sanctions compliance function, as well as relevant gatekeepers and business units operating in high-risk areas (e.g., customer acquisition, payments, sales, etc.) and to external parties performing sanctions compliance responsibilities on behalf of Respondent.
- vii. Respondent has appointed personnel to integrate the sanctions compliance program's policies and procedures into Respondent's daily operations. This process includes consultations with relevant business units, and confirms that Respondent's employees understand the policies and procedures.

d. Testing and Audit:

- i. The Respondent commits to ensuring that the testing or audit function is accountable to senior management, is independent of the audited activities and functions, and has sufficient authority, skills, expertise, resources, and authority within the organization.
- ii. Respondent commits to ensuring that it employs testing or audit procedures appropriate to the level and sophistication of its sanctions compliance program and that this function, whether deployed internally or by an external party, reflects a comprehensive and objective assessment of Respondent's OFAC-related risk assessment and internal controls.
- iii. Respondent commits to ensuring that, upon learning of a confirmed negative testing result or audit finding pertaining to its sanctions compliance program, it will take immediate and effective action, to the extent possible, to identify and implement compensating controls until the root cause of the weakness can be determined and remediated.

e. Training:

- i. Respondent commits to ensuring that its OFAC-related training program provides adequate information and instruction to employees and, as appropriate, stakeholders (for example, clients, suppliers, business

partners, and counterparties) in order to support Respondent's sanctions compliance efforts.

- ii. Respondent commits to providing OFAC-related training with a scope that is appropriate for the products and services it offers; the customers, clients, and partner relationships it maintains; and the geographic regions in which it operates.
- iii. Respondent commits to providing OFAC-related training with a frequency that is appropriate based on its OFAC risk assessment and risk profile and, at a minimum, at least once a year to all relevant employees.
- iv. Respondent commits to ensuring that, upon learning of a confirmed negative testing result or audit finding, or other deficiency pertaining to its sanctions compliance program, it will take immediate and effective action to provide training to relevant personnel.
- v. The Respondent's training program includes easily accessible resources and materials that are available to all applicable personnel.

f. Annual Certification:

- i. On an annual basis, for a period of five years, starting from 180 days after the date the Agreement is executed, a senior-level executive or manager of Respondent will submit a certification confirming that Respondent has implemented and continued to maintain the sanctions compliance measures as committed above.

- D. Should OFAC determine, in the reasonable exercise of its discretion, that Respondent appears to have materially breached its obligations or made any material misrepresentations under Subparagraph C (Compliance Commitments) above, OFAC shall provide written notice to Respondent of the alleged breach or misrepresentations and provide Respondent with 30 days from the date of Respondent's receipt of such notice, or longer as determined by OFAC, to determine that no material breach or misrepresentations has occurred or that any breach or misrepresentation has been cured.
- E. In the event OFAC determines that a material breach of, or misrepresentation in, this Agreement has occurred due to a failure to perform the Compliance Commitments, OFAC will provide notice to Respondent of its determination and whether OFAC is re-opening its investigation. The statute of limitations applying to the Apparent Violations shall be deemed tolled until a date 180 days following Respondent's receipt of notice of OFAC's determination that a breach of, or misrepresentation in, this Agreement has occurred.

- F. Should the Respondent engage in any violations of the sanctions laws and regulations administered by OFAC—including those that are either apparent or alleged—OFAC may consider Respondent’s sanctions history, or its failure to employ an adequate sanctions compliance program or appropriate remedial measures, associated with this Agreement as a potential aggravating factor consistent with the Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, Appendix A.
3. This Agreement shall not in any way be construed as an admission by Respondent that Respondent engaged in the Apparent Violations.
 4. This Agreement has no bearing on any past, present, or future OFAC actions, including the imposition of civil monetary penalties, with respect to any activities by Respondent other than those set forth in the Apparent Violations.
 5. OFAC may, in its sole discretion, post on OFAC's website this entire Agreement and issue a public statement about the factors of this Agreement, including the identity of any entities involved, the settlement amount, and a brief description of the Apparent Violations.
 6. This Agreement consists of eight pages, and expresses the complete understanding of OFAC and Respondent regarding resolution of OFAC’s enforcement matter involving the Apparent Violations. No other agreements, oral or written, exist between OFAC and Respondent regarding resolution of this matter.
 7. This Agreement shall inure to the benefit of and be binding on each party, as well as its respective successors or assigns.

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Respondent accepts the terms of this Settlement Agreement this 25th day of September, 2020.

Chris Carnicelli

Signature

Chris Carnicelli

Respondent's Printed Name (or in the case of an entity, the name of Respondent's Duly Authorized Representative)

Chief Executive Officer

Printed Title of Respondent's Duly Authorized Representative and Name of Entity (if applicable)

- Please check this box if you have not enclosed payment with this Agreement and will instead be paying or have paid by electronic funds transfer (see paragraph 2(A)(ii) and the Electronic Funds Transfer Instructions enclosed with this Agreement).

Date: September 25, 2020

Andrea M. Gacki
Director
Office of Foreign Assets Control