

Sanctions Update

Hughes Hubbard's "Sanctions in a Snap" is intended to provide a clear and concise summary of recent developments from the Office of Foreign Assets Control (OFAC). We hope you find it helpful in assessing U.S. economic sanctions compliance risk against current U.S. government designation and enforcement priorities.

Highlights from December 2025 include the third-largest civil monetary penalty ever assessed against an individual, an enforcement action that demonstrates the limits of the advice of counsel defense, and a designation that significantly enhances Colombia-related risk and may portend coming actions targeting Colombia.

In total, OFAC added 76 individuals and entities to its Specially Designated Nationals (SDN) List and identified 39 vessels as blocked property. The majority of those sanctioned vessels were flagged by Palau or Panama.

The December designations primarily focus on Venezuela and Iran, which indicates continued U.S. national security and foreign policy prioritization targeting the oil and defense sectors, as well as the purported terrorism-related activities of those countries. Throughout December, OFAC and other U.S. government agencies concentrated sanctions-related actions on the maritime transportation of Iranian and Venezuelan oil.

- Please see our comments on the U.S. seizure of oil tankers near Venezuela published by The Washington Post, The New York Times and Reuters on [Dec. 11](#), [Dec. 17](#), [Dec. 20](#) and [21](#), and [Dec. 24](#).

The graph at the end of this update provides a visual representation of the current targeting priorities reflected in the December designations.

\$1.1 million civil monetary penalty against a US person

On Dec. 9, OFAC [announced](#) a \$1,092,000 settlement with a U.S. person to resolve potential civil liability arising from apparent violations of the Ukraine-/Russia-related sanctions program. OFAC identified the U.S. person as an attorney and former U.S. government official. According to OFAC, between 2018 and 2022 the U.S. person allegedly engaged in 122 sanctions violations through various authorizations and payments made in their role as the fiduciary of the family trust of a sanctioned Russian oligarch.

OFAC found that the apparent violations were not voluntarily self-disclosed and non-egregious. Based on those findings, OFAC assessed the base penalty equivalent to the applicable schedule amount per apparent violation, which in this case total \$6,245,136.

OFAC reduced the base penalty because the U.S. person provided substantial cooperation with OFAC throughout the duration of its investigation and consented to multiple tollings of the statute of limitations.

Root cause of the violations: Failure to understand the full scope of OFAC regulations, which prohibit the provision of any service the benefit of which is received by an individual subject to U.S. economic sanctions, irrespective of legal structures that obscure that sanctioned person's involvement.

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\$11.5 million civil monetary penalty against a private equity firm

On Dec. 2, OFAC [announced](#) an \$11,485,352 settlement with IPI Partners LLC, a data center-focused private equity firm, to resolve potential civil liability arising from apparent violations of the Ukraine-/Russia-related sanctions program. According to OFAC, between 2018 and 2022 IPI allegedly engaged in 51 apparent violations when it engaged in certain transactions indirectly involving sanctioned Russian oligarch Suleiman Kerimov.

OFAC found that the apparent violations were not voluntarily self-disclosed and non-egregious. Based on those findings, OFAC assessed the base penalty equivalent to the applicable schedule amount per apparent violation, which in this case totals \$14,356,690.

OFAC reduced the base penalty because IPI ultimately cooperated with its investigation, but OFAC reduced that mitigating factor because the agency determined the initial cooperation as “unsatisfactory.” Importantly, OFAC emphasizes that U.S. economic sanctions are strict liability, and the agency explains that it will only consider an advice of counsel defense if that legal guidance is “based upon a complete picture of all material information available from across an organization.”

Root cause of the violations: Failure to understand the full scope of OFAC regulations, which prohibit (1) the provision of any service the benefit of which is received by an individual subject to U.S. economic sanctions, and (2) any direct or indirect dealings with property of sanctioned persons, irrespective of legal structures that obscure that sanctioned person’s involvement.

Enhanced Colombia-related risks

Companies and financial institutions operating in or trading with Colombia should carefully consider how the terrorism designations of Clan Del Golfo, or Los Urabeños may fundamentally enhance their sanctions risk exposure.

On Dec. 16, the U.S. State Department [announced](#) the designations of Clan Del Golfo as a Foreign Terrorist Organization (FTO) and a Specially Designated Global Terrorist. Notably, OFAC initially designated the group pursuant to its counternarcotics authorities in 2013 and 2021. The December terrorism designations, however, significantly enhance Colombia-related risk and may portend coming actions targeting Colombia.

- OFAC may now utilize its Terrorist Finance Tracking Program to generally review SWIFT (Society for Worldwide Interbank Financial Telecommunication) payments involving Colombia.
- Further, the FTO designation authorizes the U.S. government to prosecute individuals or entities accused of providing “material support” to the group, even if there is no connection to the jurisdiction of the U.S.
- Lastly, companies operating in or trading with Colombia are exposed to civil actions by those holding judgments for injury/death from terrorist attacks.

The Justice Against Sponsors of Terrorism Act, which amends the Anti-Terrorism Act, provides that a civil action “may be asserted [against] any person who aids and abets, by knowingly providing substantial assistance” to an FTO that causes certain injury. The U.S. Supreme Court held in 2023 in *Twitter Inc. v. Taamneh* that knowing and substantial assistance to an FTO requires balancing “the nature and amount of the assistance on the one hand and the defendant’s scienter on the other.” In other words, the greater the degree of knowledge, the lesser the amount of assistance is required for secondary liability claims.

Additional sanctions actions in December 2025:

In addition to the OFAC actions summarized above, the U.S. government announced the following in December:

- Civil penalties:
 - **Dec. 4** – OFAC announced a \$7,139,305 penalty on Gracetown Inc., a New York-based property management company, for allegedly violating the Ukraine-/Russia-related sanctions program and failing to report blocked assets.

- From April 2018 to May 2020, Gracetown allegedly received 24 payments from a company owned by sanctioned Russian oligarch Oleg Deripaska without blocking or reporting those transactions after the company received actual notice from OFAC that dealings with Deripaska were prohibited and his interests in property must be blocked and reported to the agency.
 - Gracetown allegedly failed to report blocked assets in its possession or control for over 45 months.
- Dec. 16 – OFAC announced a \$3,103,360 settlement with Exodus Movement Inc., a U.S. financial technology company, to resolve potential civil liability for 254 apparent violations of Iran-related sanctions. Exodus allegedly provided customer support services to users in Iran from October 2017 to January 2019. Some of these customer support interactions allegedly helped Iranian users access digital asset exchanges through Exodus' wallet software.
- **Designations** (additions to the SDN and Consolidated Sanctions lists):
 - Dec. 3 – Eight Venezuelan individuals and entities and three Colombian entities for allegedly acting for or on behalf of Tren de Aragua.
 - Dec. 9 – Four Colombian individuals, three Colombian entities and one Panamanian entity, all allegedly affiliated with the Rapid Support Forces, a Sudanese paramilitary group.
 - Dec. 11 – Three Venezuelan individuals, one Panamanian individual and six shipping companies registered in the Marshall Islands, British Virgin Islands and UK, for allegedly operating in Venezuela's oil sector. The sanctioned individuals include three nephews of Nicolas Maduro's wife, Cilia Flores, and a businessman allegedly affiliated with Maduro. OFAC also identified six vessels as blocked property of those designees.
 - Dec. 17 – OFAC sanctioned the Cartel de Santa Rosa de Lima and its alleged leader, Jose Antonio Yepez Ortiz. The Cartel de Santa Rosa de Lima allegedly perpetuates fuel and oil theft in the "Bermuda Triangle" region of the Mexican state of Guanajuato.
 - Dec. 18 – One Mongolian individual and one Georgian individual designated pursuant to the International Criminal Court-related sanctions program.
 - Dec. 18 – An Egyptian businessman allegedly associated with the "Iranian shadow fleet," a group of vessels that allegedly export Iranian petroleum and petroleum products through deceptive shipping practices. In addition to the Egyptian individual, OFAC designated 20 related entities and identified 29 vessels as blocked property.
 - Dec. 19 – Five Venezuelan and two Panamanian individuals, all of whom are allegedly members of or associated with the Maduro-Flores family.
 - Dec. 30 – Eight Iranian individuals and entities and a Venezuelan individual and company allegedly involved in Venezuelan acquisition of Iranian unmanned aerial vehicles.
 - Dec. 31 – Three Hong Kong companies and one Marshall Islands-registered company for allegedly operating in Venezuela's oil sector as part of the Venezuelan shadow fleet. Four oil tankers allegedly owned by those companies were identified as blocked property.

- **Sanctions list removals:**

- Dec. 9 – OFAC removed sanctions imposed against two Russian individuals, both of whom were previously sanctioned under the Russia-related program.
- Dec. 12 – OFAC removed sanctions imposed against Justice Alexandre de Moraes of the Supreme Federal Court of Brazil; his wife, Viviane Barci de Moraes; and Lex Instituto de Estudos Juridicos LTDA, all previously sanctioned under the Global Magnitsky program.
 - Please see our comments on the September designations published by [the Financial Times](#) and [Bloomberg](#) and [Veja](#).
- Dec. 18 – OFAC removed sanctions imposed against six entities and two individuals, all previously sanctioned under the Russia-related sanctions program. The individuals are Russian-Cypriot and Finnish nationals and the entities are Turkish, Cypriot and Emirati.
- Dec. 18 – OFAC removed a Turkish national from the Foreign Sanctions Evaders List.
- Dec. 30 – OFAC removed sanctions imposed against a Russian national previously sanctioned under the Russia-related sanctions program and delisted four nationals of Poland, Switzerland and Israel/Romania previously sanctioned under the cyber-related sanctions program.

- **General licenses:**

- Russia-related General License 128B (Dec. 4), "Authorizing Certain Transactions Involving Lukoil Retail Service Stations Located Outside of Russia"
- Russia-related General License 131A (Dec. 10), "Authorizing Certain Transactions for the Negotiation of and Entry Into Contingent Contracts for the Sale of Lukoil International GmbH and Related Maintenance Activities"
- Belarus General License 13 (Dec. 15), "Authorizing Transactions Involving Joint Stock Company Belarusian Potash Company, Agrorozkvit LLC, and Belaruskali OAO"
- Russia-related General License 55E (Dec. 17), "Authorizing Certain Services Related to Sakhalin-2"
- Russia-related General License 115C (Dec. 17), "Authorizing Certain Transactions Related to Civil Nuclear Energy"
- International Criminal Court-related General License 11 (Dec. 18), "Authorizing the Wind Down of Transactions Involving Certain Persons Blocked on December 18, 2025"
- Iran-related General License S (Dec. 18), "Authorizing Limited Safety and Environmental Transactions and the Offloading of Cargo Involving Certain Persons or Vessels Blocked on December 18, 2025"
- Venezuela-related General License 5T (Dec. 19), "Authorizing Certain Transactions Related to the Petróleos de Venezuela, S.A. 2020 8.5 Percent Bond on or After February 3, 2026"

- **Regulations and guidance:**

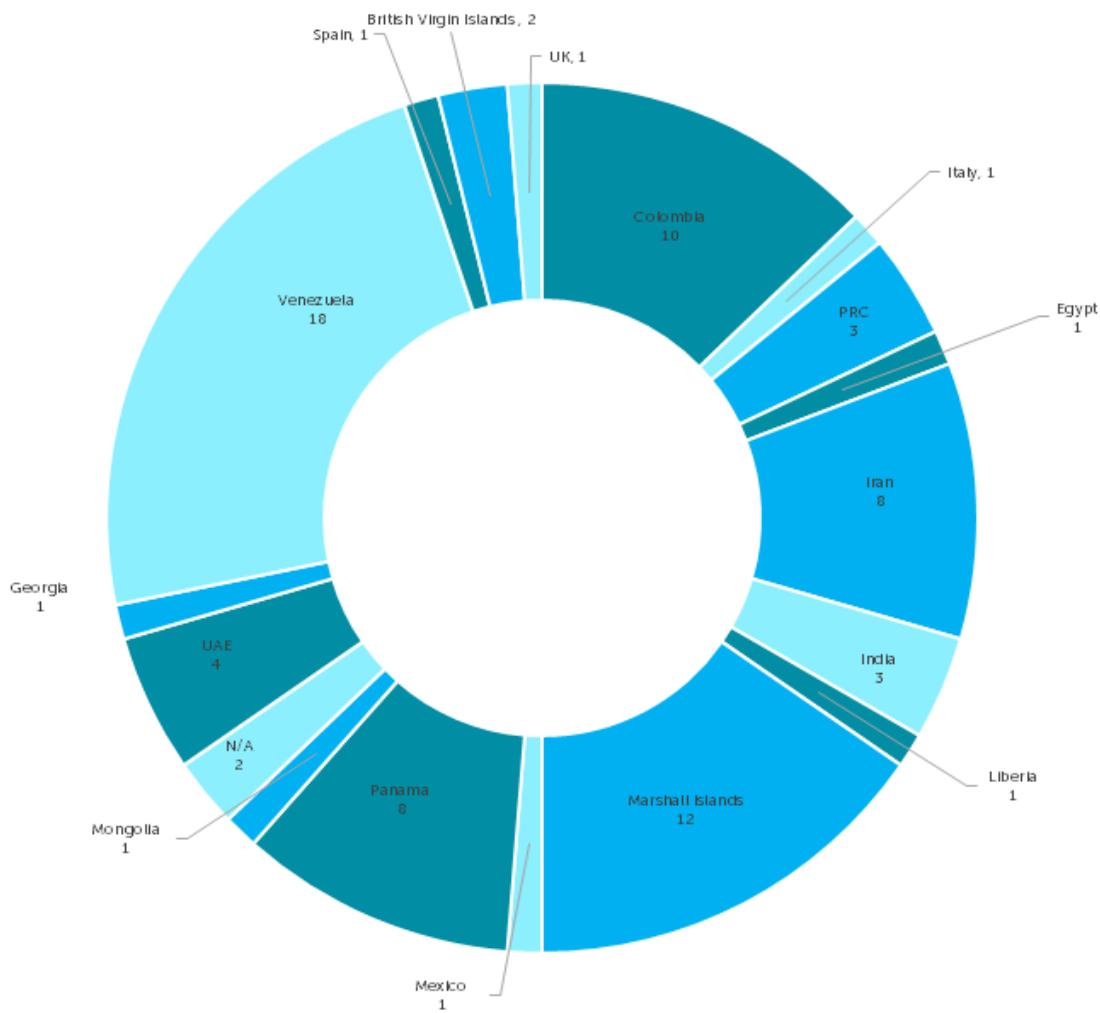
- Advisory: On Dec. 23, the Departments of State, Treasury and Commerce updated the Tri-Seal Advisory titled "Sanctions and Export Controls Relief for Syria" to reflect the repeal of the Caesar Syria Civilian Protection Act of 2019.

- o FAQ

- OFAC issued [FAQ 1225](#) on Dec. 4 to provide guidance on the scope of Russia-related General License 128B and General License 131A, which authorize certain activities related to Lukoil International GmbH.
- OFAC amended [FAQ 1225](#) and [FAQ 1224](#) on Dec. 18.
- OFAC amended eight Russia-related FAQ: [FAQ 967, 978, 999, 1011, 1117, 1182, 1203 and 1216](#).
- OFAC amended Venezuela-related [FAQ 595](#), originally issued in January 2022.

US Targeting Priorities

December 2025 Sanctions Designations by Nationality





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