




College of Agriculture, Food  
and Environment  
Veterinary Science  
Gluck Equine Research Center  
Lexington, KY 40546-0099  
859 257-4757  
fax 859 257-8542  
writer's direct dial number  
www.uky.edu

**DEPARTMENT POLICY ON  
INTERACTIONS WITH U.S. SANCTIONED COUNTRIES, ENTITIES AND PERSONS**

**To:** Department of Veterinary Science (“Department”)  
College of Agriculture, Food and Environment

**From:** David Horohov, Chair 

**Re:** Department Policy on Interactions with U.S. Sanctioned Countries, Entries and  
Persons

**Date:** September 9, 2019

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**I. Background**

The U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) and the U.S. Department of State administer U.S. sanctions programs that target a variety of foreign countries and thousands of entities, vessels and individuals deemed to present threats to U.S. national security or foreign policy interests.

Primary responsibility for administering U.S. economic and trade sanctions lies with OFAC, and it administers these sanctions programs through regulations, executive orders, directives and general licenses and guidance. OFAC’s regulatory authority for each program derives from a broad patchwork of legislation.

OFAC administers three types of sanctions programs:

- (1) Comprehensive country-based trade embargoes or sanctions against certain countries and territories. Countries and territories currently subject to these types of sanctions include Cuba, Iran, North Korea, Syria and the Crimea Region. While distinct restrictions apply to each jurisdiction, OFAC’s regulations generally prohibit U.S. persons, wherever located, from exporting or importing goods or services to or from these jurisdictions and engaging in most transactions/activities with persons from these jurisdictions, except in narrow

circumstances where an exemption or general license may apply.<sup>1</sup> In addition, certain individuals and entities from these jurisdictions are designated on OFAC's sanctions lists.

- (2) "List-based" sanctions programs on specific designated persons and entities. OFAC administers list-based sanctions on specific individuals and entities that are deemed to represent restricted countries or territories or known to be involved in terrorism, weapons proliferation and narcotics trafficking. OFAC primarily identifies persons subject to list-based sanctions by listing them on the Specially Designated Nationals and Blocked Persons ("SDN") List. Persons and entities that appear on the SDN List are subject to the sanctions prohibitions of the relevant country program or "list-based" program under which they were designated. OFAC's regulations generally prohibit U.S. persons from engaging in transactions with SDNs, as well as entities that one or more SDNs own, directly or indirectly, by 50 percent or more.
- (3) "Sectoral sanctions" on certain entities within specific sectors of a targeted country's or territory's economy. These "sectoral" sanctions target entities based on their prominence within certain sectors of targeted countries. For example, the Ukraine-/Russia-related sanctions program prohibits U.S. persons from engaging in certain transactions involving certain entities in Russia's energy, defense, and financial sectors, which are included on the U.S. Sectoral Sanctions Identifications List ("SSI List"). OFAC guidance provides that entities 50 percent or more, directly or indirectly, owned by one or more companies on the SSI List are also subject to restrictions that apply to the listed parent companies. Currently, the Venezuela sanctions program targets companies in Venezuela's gold, finance and energy sectors; such targeted companies are designated on the SDN List. Additionally, the Government of Venezuela is subject to U.S. blocking sanctions, which prohibit U.S. persons from engaging in most transactions with or involving the Government of Venezuela as well as entities owned or controlled by the Government of Venezuela.

## **II. Compliance Considerations**

The general prohibitions under each of OFAC's comprehensive sanctions programs (i.e., Cuba, Iran, North Korea, Syria, and the Crimea region of Ukraine) impose broad restrictions applicable to nearly all activities of U.S. persons. Moreover, OFAC regularly updates and amends the SDN List and other list-based sanctions that specify sanctioned parties with whom U.S. persons may not transact without OFAC authorization. The potential applicability of an exemption or general license under each sanctions program depends highly on the facts at hand and a close reading of the relevant provisions.

Consequently, the Department, with the help of the University's Office of Legal Counsel, is implementing this policy to allow it to carefully monitor and review activities by University personnel that may intersect with Cuba, Iran, North Korea, Syria, and the Crimea region of Ukraine, as well as any potential intersections with SDNs, entities on the SSI List, or other sanctioned parties.

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<sup>1</sup> "U.S. persons" are U.S. citizens, legal permanent residents, companies incorporated in the United States, including their foreign branches, *and any person while located in the United States.*

### **III. Policy and Procedure**

The University of Kentucky is committed to complying with all U.S. laws, including U.S. sanctions laws and regulations administered and enforced by OFAC and the U.S. Department of State. Current law broadly prohibits the University of Kentucky and its personnel from engaging in any activities involving Cuba, Iran, North Korea, Syria, or the Crimea region of Ukraine without U.S. government authorization. The general prohibitions of these sanctions programs apply without limitation to research collaborations, academic exchanges, conferences and workshops, fee-based services, or other educational activities. Moreover, the United States maintains blocking sanctions against the Government of Venezuela (including entities owned or controlled by the Government of Venezuela). **Activities involving Cuba, Iran, North Korea, Russia, Syria, Ukraine, or Venezuela may only occur upon permission from the University's Office of Legal Counsel.**

If you intend to travel to or engage in any work or other professional activities or programs with individuals or groups from **Cuba, Iran, North Korea, Russia, Syria, Ukraine, or Venezuela**, please contact the Office of Legal Counsel for guidance and approval before proceeding with such plans. Activities requiring review by the Office of Legal Counsel include, but are not limited to, any of the following if they involve **Cuba, Iran, North Korea, Russia, Syria, Ukraine, Venezuela**, or nationals thereof:

- Providing technical assistance, analysis, or other services;
- Engaging in research collaborations;
- Sending or receiving goods, software, or data;
- Sending or receiving payments;
- Traveling and attending conferences/workshops.

Upon being notified of a relevant activity or interaction, the Office of Legal Counsel will assist in determining whether other units or offices of the University are best suited to assist in resolving any questions regarding the matter. Those others who may become involved, depending on the nature of the matter may include, without limitation, the International Center, University Financial Services, and the Office of Sponsored Projects Administration.

In addition, because of the number of persons and entities that are listed on SDN and SSI Lists who are associated with particular countries (even if they are located in a different country), it is necessary for you to provide the names of persons and entities from or associated with the following countries to the Office of Legal Counsel so that it may check the SDN and SSI Lists prior to you engaging with such persons or entities: **Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Burundi, Central African Republic, Croatia, Democratic Republic of Congo, Cuba, Greece, Iran, Iraq, Lebanon, Libya, Macedonia, Montenegro, Nicaragua, North Korea, Romania, Russia, Serbia, Slovenia, Somalia, Sudan, South Sudan, Syria, Turkey, Ukraine, Venezuela, Yemen, or Zimbabwe.**

Please note that the prohibitions that apply to list-designated persons generally also apply to any entities that designated persons or entities own, directly or indirectly, by 50 percent or greater interest, even if the subsidiaries are not specifically designated on the sanctions list. Therefore,

you will need to share the names of any entities or individuals who own the entity with which you plan to engage in an activity.

The listing of affected countries or territories, as well as the type and manner of sanctions and allowances for exceptions, may change over time, and this policy will be updated accordingly.

#### **IV. Penalties**

Violations of sanctions laws and regulations can lead to severe civil and criminal penalties against faculty, researchers and other University employees, as well as the University. Accordingly, awareness of, and compliance with, these laws and regulations and this policy is critically important.

#### **V. Reporting**

Notification of potential violations of sanctions laws or regulations or suspected non-compliance with, or violation of, this policy should be made promptly to the Office of Legal Counsel. The University of Kentucky does not tolerate retaliation against personnel for making good faith reports, and disciplinary action may be taken against anyone who retaliates against an employee who reports a suspected violation or who cooperates in an investigation.

The Office of Legal Counsel may be contacted as follows:

Office of Legal Counsel  
Tel: (859) 257-2936

In most cases, Senior Associate General Counsel, David Kinsella ([david.kinsella@uky.edu](mailto:david.kinsella@uky.edu); direct dial: (859) 257-6361), will be assigned to assist on the matter.

If you have any questions, please contact the Office of Legal Counsel or me.