

PayPal to pay \$7.7M in sanctions violations settlement

March 25 2015

PayPal Inc. has agreed to pay \$7.7 million to settle with U.S. regulators who said the payments company allowed violations of U.S. sanctions against Iran, Cuba and Sudan.

The Office of Foreign Assets Control, an agency of the Treasury Department, announced Wednesday the civil settlement with the digital payments processor.

The agency said PayPal, a division of eBay Inc., didn't adequately screen transactions so it could detect those by people or entities subject to sanctions against Iran, Cuba and Sudan. OFAC says the lapses occurred over several years through 2013.

PayPal, based in San Jose, California, said in a statement that it voluntarily reported to the agency questionable payments it had processed. It said it has taken steps to improve compliance, such as real-time scanning of payments.

OFAC also said that PayPal processed \$7,091.77 in transactions in a customer account registered to Kursad Zafer Cire, an individual on a special State Department list as someone contributing to the proliferation of weapons of mass destruction. Despite red flags from PayPal's own screening system, the transactions continued from October 2009 to April 2013, the agency said.

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Citation: PayPal to pay \$7.7M in sanctions violations settlement (2015, March 25) retrieved 9 May 2024 from <https://phys.org/news/2015-03-paypal-77m-sanctions-violations-settlement.html>

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