

CFC MEMORANDUM 2005-13

November 22, 2005

TO: LOCAL FEDERAL COORDINATING COMMITTEES, PRINCIPAL COMBINED FUND ORGANIZATIONS, NATIONAL AND LOCAL FEDERATIONS AND NATIONAL AND LOCAL UNAFFILIATED ORGANIZATIONS

**FROM: MARA T. PATERMASTER
DIRECTOR
OFFICE OF CFC OPERATIONS**

SUBJECT: 2006 CFC Application Sanctions Compliance Certification

This guidance accompanies a final regulation issued by the Office of Personnel Management for the Combined Federal Campaign on November 7, 2005. It supersedes CFC Memorandum 2004-12 titled, "Guidance on Compliance with the Anti terrorism Certification."

The new regulation requires that each federation, federation member and unaffiliated organization applying for participation in the CFC must, as a condition of participation, complete a certification that it is in compliance with all statutes, Executive orders, and regulations restricting or prohibiting U.S. persons from engaging in transactions and dealings with countries, entities or individuals subject to economic sanctions administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC).

OFAC is the office principally responsible for administering and enforcing U.S. economic sanctions programs imposed pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) and other authorities. These programs further U.S. foreign policy and national security goals and are directed primarily against foreign states and nationals, including sponsors of global terrorism and foreign narcotics traffickers. OFAC acts, pursuant to delegated authority, under Presidential wartime and peacetime national emergency powers.

OFAC publishes a list of Specially Designated Nationals and Blocked Persons (SDN list). It is unlawful for a U.S. person to engage in any transactions with such individuals or entities. While OFAC does not mandate how any U.S. person must comply with economic sanctions law, OFAC does provide information on persons and other actors subject to such sanctions. U.S. persons should use this information to avoid violating U.S. sanctions law.

Engaging in a prohibited sanctions transaction, including with a person on the SDN list, is a violation of U.S. law. OFAC addresses each such violation in context, taking into account the nature of a charity's business (including such factors as a group's products, services, customers, and geographic location), the history of the group's enforcement record with OFAC, the sanctions harm that may have resulted from the transaction, and the compliance program that the charity has in place.

The revised sanctions compliance certification for CFC applicants is intended to further the purposes of the economic sanctions imposed by the President, to ensure that organizations participating in the CFC are exercising appropriate diligence, and to help safeguard the integrity of the CFC and the interests of Federal employees who contribute to the CFC.

OPM acknowledges the critical role that CFC participating charities serve in meeting social needs and their shared commitment to comply with laws applicable to charities and other United States persons. Ultimately, fiscal responsibility and observance of relevant laws rests with each charity's board of directors, which oversees implementation of the governance practices to be followed by the organization.

2006 CFC Application Requirements

The 2006 CFC application requires that each federation, federation member, and unaffiliated organization applying to participate in the CFC must, as a condition of participation, complete the following certification:

I certify that the organization named in this application is in compliance with all statutes, Executive orders, and regulations restricting or prohibiting U.S. persons from engaging in transactions and dealings with countries, entities, or individuals subject to economic sanctions administered by the U.S. Department of the Treasury's Office of Foreign Assets Control. The organization named in this application is aware that a list of countries subject to such sanctions, a list of Specially Designated Nationals and Blocked Persons subject to such sanctions, and overviews and guidelines for each such sanctions program can be found at <http://www.treas.gov/ofac>. Should any change in circumstances pertaining to this certification occur at any time, the organization will notify OPM's Office of CFC Operations immediately.

Under this certification, effective for 2006 and subsequent campaigns, OPM does not categorically mandate that all applicants check OFAC's master SDN List or the Terrorist Exclusion List (TEL). Nevertheless, this certification of compliance with existing law and regulation indicates that applicants should review the OFAC website (provided below) for information on existing sanctions programs, check appropriate listings of OFAC targets, and follow the U.S. Department of the Treasury Anti-Terrorist Financing Guidelines: Voluntary Best Practices for U.S. Based Charities. Such practice is consistent with the risk-based approach adopted by the Guidelines. It is the intention of OPM that applicants enhance their efforts to ensure that funds collected through the CFC not be used to finance unlawful activities or those who engage in them, not that such efforts be diminished.

Additional information relating to the economic sanctions programs OFAC administers is available at <http://www.treas.gov/ofac>. Other helpful guidance materials for charities, including the U.S. Department of the Treasury Anti-Terrorist Financing Guidelines: Voluntary Best Practices for U.S.-Based Charities, are available at <http://www.treas.gov/offices/enforcement/key-issues/protecting/index.shtml>

If you have any questions on this guidance, please contact the OCFCO at (202) 606-2564 or by e-mail at cfc@opm.gov.