

WEEK OF 6 – 12 OCTOBER 2026

## Financial Crime Weekly Digest

Global enforcement actions, regulatory moves & intelligence from the world of AML & financial crime.

### STORY OF THE WEEK

The name changed, the phone number did not: OFAC settles with a freight forwarder over a machine valued at \$5,950

### ENFORCEMENT

Iran's remaining shadow fleet, and UAE addresses on the list · Venezuelan bribery proceeds and accounts in the UAE · a bank insider and 86 accounts at one address

### REGULATORY

OFAC lists the International Criminal Court, with four general licences · the UK's 38 new Russia designations · AMLA consults on an EU-wide AML/CFT database

## STORY OF THE WEEK · UNITED STATES / CHINA

# The Name Changed. The Phone Number Did Not. OFAC Settles With a Freight Forwarder

## \$175,015

agreed by Pegasus Worldwide Logistics to settle apparent sanctions and reporting violations that began with a machine valued at \$5,950, per OFAC's enforcement release

On **9 October** OFAC announced a settlement with **Pegasus Worldwide Logistics**, a California-based logistics company and freight forwarder of about a dozen employees. Pegasus agreed to pay **\$175,015** to settle its potential civil liability for apparent violations of OFAC's counter narcotics sanctions and of its reporting obligations. The facts are small. In May 2023 OFAC designated Youli Technology Development Co., Ltd., a China-based supplier of pill press and packaging equipment, and put its phone number and email address on the SDN List among its identifiers. After the designation Youli changed its name to Huizhou Youli Fushi Co., Ltd.; its other identifiers stayed the same. In August 2023 a US nutritional supplement company engaged Pegasus to coordinate the purchase and shipment from Youli of a customised sugar packet-filling machine valued at **\$5,950**.

Pegasus screened by hand, and late: its procedure did not say when to check the list, and it waited until just before the machine left China. It checked the new name, which returned nothing. The phone number and email address in the shipping documents and emails were the ones on the SDN List, and an employee did not screen them, although company policy called for it. OFAC says screening them, "including through a basic internet search", would have produced a match. US Customs then detained the machine under a notice that identified OFAC as the responsible agency; that did not prompt Pegasus to investigate, and it paid the import duties and fees. Finally, Pegasus gave OFAC a certified response denying it held any responsive information, and sent a revised one six months later.

- OFAC enforcement release dated 9 October 2026 · a settlement of apparent violations, not a finding after trial
- OFAC's notice counts four apparent sanctions violations and six apparent reporting violations
- Non-egregious and not voluntarily self-disclosed · base civil monetary penalty \$205,900
- Mitigating: a small company, transactions relatively low in value, extensive remedial measures agreed

### WHY IT MATTERS FOR COMPLIANCE TEAMS

OFAC states the lesson itself: screening against names on the SDN List, while critically important, "is a baseline tool", and controls should take into account efforts by sanctioned parties to obfuscate their involvement. Three questions follow for any firm, in any jurisdiction. **Do you screen the identifiers a list gives you — phone numbers, email addresses, registration numbers — or only names? Does screening happen at the start of a transaction, or just before it completes? And when an authority detains goods or writes to you, does anyone investigate?** OFAC adds that failing to cooperate completely can risk standalone penalties.

## ENFORCEMENT ACTIONS

# Law Enforcement Strikes This Week

US TREASURY / OFAC · UNITED STATES / IRAN / UAE

17 VESSELS

## Iran's Remaining Shadow Fleet, and UAE Addresses on the List

On **8 October**, as part of Operation Economic Outcast, Treasury said it took action against **17 shadow fleet vessels** carrying Iranian oil and petrochemical products, and designated the companies behind them. OFAC's list update of the same day is longer than the press release: under E.O. 13846 it also adds entities with UAE addresses — **Arabianpro Materials FZCO** and **Hessonite Ship Management LLC** in Dubai, and **Horizon Ship Management FZE** in Ajman Free Zone. Two vessels were removed after their sale to non-sanctioned operators. **General License EE** authorises the wind down of transactions involving Samudra Marine Services Private Limited through 12:01 a.m. EDT on **23 October 2026**.

US DEPARTMENT OF JUSTICE · UNITED STATES / VENEZUELA / UAE

ARRESTED

## Venezuelan Bribery Proceeds, and Accounts in Antigua, the UAE and the US

In a release dated **11 October** the Justice Department said Alvaro Pulido Vargas, a Colombian national charged in two federal indictments involving the **alleged** laundering of **more than \$2 billion** in connection with Venezuelan government bribery schemes, is in the Southern District of Florida to face the charges. The 2021 indictment concerns approximately \$1.6 billion in contracts under a government-controlled food and medicine programme: the defendants allegedly inflated the contracts and laundered proceeds through bank accounts in **Antigua, the United Arab Emirates, the United States and elsewhere**. An indictment is merely an allegation.

US DEPARTMENT OF JUSTICE · UNITED STATES / COLOMBIA

GUILTY PLEA

## 86 Accounts, One Address: a Bank Insider Pleads Guilty

On **6 October** the Justice Department announced that Gerardo Aquino pleaded guilty to accepting bribes and laundering **more than \$4.8 million** to Colombia while employed by TD Bank. According to court filings, he opened fraudulent accounts, issued hundreds of debit cards to co-conspirators and **unblocked debit cards the bank had restricted due to potential fraud**. He opened **86 individual customer accounts using the same commercial address in Miami**; those alone were used to launder over \$3 million. In exchange he received **more than \$8,000 in bribes**.

US DEPARTMENT OF JUSTICE · UNITED STATES / GEORGIA

GUILTY PLEA

## "Your Mule Cashout": Mules Who Thought It Was a Job

On **8 October** Oleg Korniev, a dual citizen of Ukraine and Russia, pleaded guilty to running an international money laundering organisation, Your Mule Cashout. The Justice Department says it recruited **over 15,000 US-based money mules** to launder **at least \$10 million** stolen by hackers from over 750 US bank accounts. The mules were US residents deceived into believing they worked for legitimate companies: they received payments into personal bank accounts, withdrew the money and wired it overseas. **They were never paid.**

## REGULATORY DEVELOPMENTS

# Regulatory Moves Reshaping the Compliance Landscape

## UNITED STATES / INTERNATIONAL

## OFAC Adds the International Criminal Court to the SDN List, With Four General Licences

On **9 October** OFAC added the **International Criminal Court**, at its address in The Hague, to the SDN List under the tag ICC-EO14203, and issued four ICC-related general licences, numbered 13 to 16. **General License 13** authorises transactions ordinarily incident and necessary to the **maintenance or wind down** of operations, contracts or other agreements involving the Court through 12:01 a.m. EDT on **7 April 2027**. Its note gives examples of what that includes: States Parties' payments to the Court; salary payments, health insurance and medical services for its employees, grantees or contractors; rent, utilities, taxes and insurance; and routine services such as subscription-based or other standard commercial services. The Court's blocked accounts may be used for those transactions. The licence does not reach any other person blocked under the ICC-related regulations. By their titles, the other three cover telecommunications and enterprise software, pension payments, and certain ICC detainees. For a bank or supplier with a payment touching the Court, the work is to match it to a licence and diarise the expiry.

## UNITED KINGDOM / RUSSIA

## The UK's 38 New Russia Designations Include Crypto Exchanges and Payment Platforms

On **8 October** the UK announced **38 new designations**. They include two more Russian oil companies, Zarubezhneft and INK Capital; a further 12 shadow fleet oil tankers, bringing the total sanctioned to over 600; and 17 entities and individuals involved in supplying goods the UK, US and EU deem vital to Russia's war effort. For financial institutions the notable part is this: **three crypto exchanges and two payment platforms, including three linked to Kyrgyzstan and one linked individual**. The government says it **suspects** these entities are being used by Russia to circumvent financial sanctions, and that two of them have processed and facilitated transactions with the **A7 network** — which the US Treasury sanctioned on 1 October. The announcement does not name the exchanges or platforms, so take the names from the UK Sanctions List itself.

## EUROPEAN UNION

## AMLA Consults on an EU-Wide AML/CFT Database, and Sets Out Its MiCA Priorities

On **7 October** the EU's AMLA said it is consulting, via a public hearing on **3 November 2026**, on **draft** regulatory technical standards that will establish a central AML/CFT database: the single point for EU supervisory authorities to report and retrieve information, with data on individual obliged entities and on supervisors and their activities. AMLA says the standards draw first on data supervisors already hold, so the database adds no new reporting costs for obliged entities; they also set the materiality threshold above which a breach must be reported. The same day AMLA published its response to the European Commission's consultation on the review of MiCA, focused on five areas: staking, lending and borrowing; DeFi arrangements; unauthorised stablecoins; certain asset-referenced token issuers not considered obliged entities; and cross-border supervision of service providers. These are suggestions to the Commission, not rules.

## ON OUR RADAR

# Watch This Space

**DECENTRALISED FINANCE · UAE / ADGM**

## The FSRA Consults on DeFi Risk Management Guidance

On **6 October** ADGM's FSRA published Consultation Paper No. 5 of 2026 on **proposed** DeFi Risk Management Guidance. It sets out the FSRA's expectations for how Authorised Persons and Recognised Bodies should identify, assess, monitor and manage risks arising from their engagement with DeFi protocols and venues, including due diligence, monitoring and **financial crime controls**. Comments close on **30 November 2026**.

**PUBLIC ALERT · AUDIT · UAE / ADGM**

## ADGM: a False Claim of Association, and Penalties for an Audit Firm

On **8 October** the FSRA alerted the public to false and misleading claims by an entity or purported entity named Takeo Investments, which may have claimed false association with ADGM; the FSRA says it has never held a Financial Services Permission and was never incorporated in ADGM. On **9 October** ADGM's Registration Authority announced penalties of **USD 65,000** on PKF Accountants and Business Advisers LLP and **USD 35,000** on its registered audit principal for audit failings, including significant deficiencies in the **assessment of fraud risks**.

**GENERAL LICENCE · UNITED STATES / RUSSIA**

## OFAC Licenses Transactions in Russian-Origin Diesel Until April 2027

On **9 October** OFAC issued Russia-related **General License 135**. It authorises transactions prohibited by two sets of Russia-related regulations that are related to the sale, delivery, offloading or importation of **diesel fuel of Russian Federation origin**, through 12:01 a.m. EDT on 7 April 2027. It does not authorise any debit to an account, on the books of a US financial institution, of the Central Bank of the Russian Federation, the National Wealth Fund or the Ministry of Finance.

**BANK FRAUD · UNITED STATES / PUERTO RICO**

## A Bank's Chairman and Co-Owner Is Sentenced Over Concealed Insider Deals

On **7 October** the former board chairman and co-owner of Nodus International Bank, a Puerto Rican International Banking Entity, was sentenced to **62 months** in prison and to pay forfeiture of approximately \$13.6 million. The Justice Department says he led a scheme to fraudulently obtain more than \$23.6 million from the bank, concealing from other board members, executives and the bank's regulator that certain investments or loans were for his own and a co-conspirator's benefit.

# This Week's

## 3 Key Takeaways

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**01**

### Screen What the List Gives You, Not Only the Name

A designated supplier changed its name and kept its phone number and email address, and a manual check of the new name returned nothing. OFAC's own conclusion is that name screening is a baseline tool and that controls should take account of efforts by sanctioned parties to obfuscate their involvement. This week's Iran list update makes the same point from the other side: its entries carry IMO numbers, registration numbers and addresses, some of them in Dubai and Ajman. Test whether your screening uses those fields, on which records, and at what point in the transaction.

**02**

### The Insider Is a Control Gap Too

Two Justice Department cases this week turn on people inside a bank. One employee opened 86 individual customer accounts at the same commercial address and unblocked debit cards the bank had restricted for potential fraud, for more than \$8,000 in bribes. One chairman and co-owner concealed from his own board and regulator that certain of the bank's investments and loans were for his own and a co-conspirator's benefit. Neither is a customer-screening failure. Two questions are worth asking of your own controls: would many new accounts sharing one address be noticed, and is every lifted fraud restriction reviewed by someone other than the person who lifted it?

**03**

### Our Six: the UAE This Week, Quiet Elsewhere

From the regulators of the six jurisdictions this digest follows, we confirmed in-week financial crime items only from ADGM: an FSRA consultation on DeFi risk management, an FSRA public alert and Registration Authority penalties on an audit firm. The UAE also appears in others' releases: Dubai and Ajman addresses in OFAC's Iran list update, and UAE bank accounts in the Justice Department's allegations against Alvaro Pulido Vargas. We found nothing on financial crime dated 6 – 12 October from the Mauritian, Saudi, Qatari or Moroccan regulators we could reach, and nothing new on the FATF's publications page. Several sites block automated access, so that is what we could see, not proof that nothing was published.

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**\$175,015**

**SETTLEMENT WITH OFAC  
BY A FREIGHT  
FORWARDER**

OFAC · 9 Oct · over a machine  
valued at \$5,950

**17**

**IRAN SHADOW FLEET  
VESSELS TARGETED**

US Treasury · 8 Oct · Operation  
Economic Outcast

**38**

**NEW UK RUSSIA  
DESIGNATIONS**

UK Government · 8 Oct · oil  
companies, tankers, crypto  
exchanges

**86**

**ACCOUNTS OPENED AT  
ONE ADDRESS**

US DOJ · 6 Oct · by a bank  
employee, per court filings

#FinancialCrime #AML #Sanctions #KYC #KYB #Compliance #RiskTech #SonarPulse

Sources: US Treasury / OFAC · US Department of Justice · UK Government (FCDO) · EU AMLA · ADGM (FSRA and Registration Authority)