

§ 500.704

31 CFR Ch. V (7-1-01 Edition)

1657, or by courier or other expedited means at any time during the 30-day response period if an original copy is sent concurrently via the U.S. Postal Service, registered or certified mail, return receipt requested. The date shown on the date-stamped registered or certified mail postal receipt will constitute the filing date of the response.

(b) *Form and contents of response*—(1) *In general.* The written response need not be in any particular form, but shall contain information sufficient to indicate that it is in response to the prepenalty notice. It should be responsive to the allegations contained therein and set forth the nature of the respondent's defenses.

(i) The response must admit or deny specifically each separate allegation of violation made in the prepenalty notice. If the respondent is without knowledge as to an allegation, the response shall so state, and such statement shall operate as a denial. Failure to deny, controvert, or object to any allegation will be deemed an admission of that allegation.

(ii) The response must also set forth any additional or new matter or arguments the respondent seeks, or shall seek, to use in support of all defenses or claims for mitigation. Any defense or partial defense not specifically set forth in the response shall be deemed waived, and evidence thereon may be refused, except for good cause shown.

(iii) The response must also accurately state, for each respondent, the respondent's full name and address for future service, together with current telephone and, if applicable, facsimile machine numbers and area code. If respondent is represented by counsel, counsel's full name and address, together with telephone and facsimile numbers and area code, may be provided in lieu of service information for the respondent. The respondent or respondent's counsel of record is responsible for providing timely written notice to the parties of any subsequent changes in the information provided.

(2) *Request for hearing and prehearing discovery; waiver.* Any request for an administrative hearing and prehearing discovery must be made, if at all, in the written response made pursuant to

this section and within the 30 calendar day period specified in § 500.705(a). A failure to request a hearing and prehearing discovery in writing within 30 calendar days of service of the prepenalty notice constitutes a waiver of a hearing and prehearing discovery. A response asserting that respondent reserves the right to request a hearing or prehearing discovery beyond the 30 calendar day period is ineffectual.

(3) *Informal settlement; response deadline.* In addition or as an alternative to a written response to a prepenalty notice pursuant to this section, the respondent or respondent's representative may contact the Office of Foreign Assets Control as advised in the prepenalty notice to propose the settlement of allegations contained in the prepenalty notice and related matters. In the event of settlement at the prepenalty stage, the claim proposed in the prepenalty notice will be withdrawn, the respondent is not required to take a written position on allegations contained in the prepenalty notice, and the Office of Foreign Assets Control will make no final determination as to whether a violation occurred. The amount accepted in settlement of allegations in a prepenalty notice may vary from the civil penalty that might finally be imposed in the event of a formal determination of violation. In the event no settlement is reached, the 30 calendar day period specified in paragraph (a) of this section for written response to the prepenalty notice remains in effect unless additional time is granted by the Office of Foreign Assets Control. A failure to request a hearing and prehearing discovery in writing within 30 calendar days of service of the prepenalty notice constitutes a waiver of a hearing and prehearing discovery.

§ 500.704 Penalty imposition or withdrawal absent a hearing request.

(a) *No violation.* If, in the absence of a timely hearing request, after considering any response to the prepenalty notice and any relevant facts, the Director determines that there was no violation by the respondent named in the prepenalty notice, the Director promptly shall notify the respondent in writing of that determination and that

no civil monetary penalty or civil forfeiture pursuant to this subpart will be imposed.

(b) *Violation.* If, in the absence of a timely hearing request, after considering any response to the prepenalty notice and any relevant facts, the Director determines that there was a violation by the respondent named in the prepenalty notice, the Director promptly shall issue a written notice of the imposition by the Office of Foreign Assets Control of the civil monetary penalty and/or civil forfeiture and/or other available disposition with respect to that respondent.

(1) The penalty/forfeiture notice shall inform the respondent that payment of the assessed penalty must be made within 30 calendar days of the mailing of the penalty notice.

(2) The penalty/forfeiture notice shall inform the respondent of the requirement to furnish respondent's taxpayer identification number pursuant to 31 U.S.C. 7701 and that the Department intends to use such number for the purposes of collecting and reporting on any delinquent penalty amount in the event of a failure to pay the penalty imposed.

§ 500.705 Time and opportunity to request a hearing.

(a) *Deadline for hearing request.* Within 30 calendar days of the date of mailing or other service of the prepenalty notice pursuant to § 500.702(c), the respondent may file a written request for an agency hearing conducted pursuant to this section, to present the respondent's defenses to the imposition of a penalty and/or forfeiture and to offer any other information for inclusion, if found admissible pursuant to § 500.715(a), into the agency record prior to a final determination concerning the imposition of a penalty and/or forfeiture.

(b) *Content of written response.* If an agency hearing is requested by the respondent or by the respondent's counsel, the written hearing request must be accompanied by a written response to the prepenalty notice containing the information required by § 500.703(b)(1)(i) through (iii). An untimely hearing request or written response to the

prepenalty notice constitutes a waiver of a hearing.

(c) *Signature of filings.* All hearing requests, motions, responses, interrogatories, requests for deposition transcripts, requests for protective orders, and all other filings relating to requests for and responses to discovery or pertaining to the hearing process, must be signed by each requesting party or, if represented, by each party's counsel.

(d) *Computation of time—(1) Final date on weekend or holiday.* Whenever the final date for any requirement of this part falls on a Saturday, Sunday, Federal holiday, or other day on which the Office of Foreign Assets Control is not open for the transaction of business during normal working hours, the time for filing will be extended to the close of business on the next working day.

(2) *Closing time.* The time for filing any document expires at 5:00 p.m. local Washington, DC time on the last day when such filing may be made.

§ 500.706 Hearing.

(a) *Notice of hearing.* (1) Any respondent requesting a hearing shall receive notice of the time and place of the hearing at the service address provided pursuant to § 500.703(b)(1)(iii). Requests to change the time and place of a hearing may be submitted to the Administrative Law Judge, who may modify the original notice or subsequently set hearing dates. All requests for a change in the time or place of a hearing must be received in the Administrative Law Judge's chambers and served upon the parties no later than 15 working days before the scheduled hearing date.

(2) The hearing shall be conducted in a manner consistent with 5 U.S.C. 554–557, pursuant to section 1710(c) of the Cuban Democracy Act of 1992 (22 U.S.C. 6001–6010) and section 16 of the Trading with the Enemy Act (50 U.S.C. App. 16).

(b) *Powers.* The Administrative Law Judge shall have all powers necessary to conduct the hearing, consistent with 5 U.S.C. 554–557, including the following powers:

(1) To administer oaths and affirmations;

(2) To require production of records or any information relative to any act