

## What happens if I violate Export Controls in the US – 26 Sept 2013

### ST&R Trade Report: “BIS Imposes Penalties for Exports of Laptops, Water Pumps to Iran”

(Source: <http://www.strtrade.com/publications.html>) [Excerpts; used by permission.]

**Laptops.** The Bureau of Industry and Security issued an order suspending for five years the export privileges of a New Jersey man convicted of knowingly and willfully exporting laptop computers to Iran in violation of the U.S. embargo on that country. BIS is also revoking all export licenses in which this man had an interest at the time of his conviction. The man was previously sentenced to three years of probation and a \$10,000 criminal fine. Under this suspension order, until Jan. 30, 2018, neither this man nor anyone on his behalf may directly or indirectly participate in any way in any transaction involving any commodity, software or technology exported or to be exported from the U.S. that is subject to the Export Administration Regulations. However, this order does not prohibit any export, reexport or other transaction subject to the EAR where the only items involved that are subject to the EAR are the foreign-produced direct product of U.S.-origin technology.

**Water Pumps.** BIS issued an order imposing a \$125,000 civil penalty against a German company to settle charges that it intentionally attempted to avoid the U.S. embargo on Iran by transshipping nine high-pressure water pumps through the United Arab Emirates to Iran for use in the oil and petrochemical industry. This company will also be required to complete an external audit of the export controls compliance programs of all its operating entities worldwide and to hire an unaffiliated third-party consultant with expertise in U.S. export control laws to conduct the audit of the operating entities' compliance with U.S. export control laws that apply to exports and reexports to, or otherwise involving, terrorist-supporting countries. Where this audit identifies actual or potential violations of the Export Administration Regulations, the company will have to promptly provide copies of the pertinent air waybills and other export control documents and supporting documentation to the BIS Houston resident office. If any of these requirements is not met, the BIS may suspend the company's export privileges for one year.