

What happens if I violate Export Controls in the US – 31 Oct 2013

"United Medical Instruments and COO Blacklisted and Fined for Shipping Medical Supplies to Iran"

(Source: Export Compliance Training Institute; <http://learnexportcompliance.bluekeyblogs.com/>)

* Author: Brooke Driver, jill@learnexportcompliance.com, 540-433-3977

And the theme continues; here is another case of a company suffering the consequences of illegal transactions with an embargoed country. United Medical Instruments, Inc., a California-based company, settled with BIS September 26 for its 22 violations of the EAR. The charges against the company range from conspiracy to inaccurate record keeping and all relate to UMI's illegal export of \$1,468,950 worth of ultrasound equipment and related accessories through Belgium to Iran, which occurred over a two-year period between November 2008 and April 2010. Due to the large number of violations and high value of the products, BIS chose to:

- Fine UMI \$500,000, to be suspended for two years and waived assuming UMI does not commit any further violations during that period
- Blacklist UMI for 2 years, to be suspended and waived assuming UMI follows through with settlement conditions
- Require that UMI implement a comprehensive internal export controls compliance program within a month of the settlement date
- Demand that UMI employees complete export controls compliance training within 6 months of the settlement date

Afshin Naghibi, UMI's unfortunate (and likely regretful) Chief Operational Officer and International Sales Manager, was separately charged and punished, and will be

- Fined \$800,000-\$763,000 of which shall be suspended and waived if Naghibi does not commit further violations in the next couple years
- Blacklisted for 6 years