

## What happens if I violate Export Controls in the US? 12 June 2014

### **ST&R Trade Report: "\$21 Million Penalty for Illegal Exports and Reexports of Aircraft Parts and Technology"**

(Source: [ST&R Trade Report](#))

The U.S. government announced recently that a Dutch aerospace services provider has agreed to \$21 million in penalties in connection with more than 1,150 illegal exports and reexports to Iran, Sudan and Burma. The company will pay a \$10.5 million civil penalty to the Bureau of Industry and Security and the State Department's Office of Foreign Assets Control and forfeit an additional \$10.5 million pursuant to a deferred prosecution agreement with the Department of Justice.

The company was charged with indirectly exporting or reexporting aircraft spare parts, technology and services to customers in Iran, Sudan and Burma, all of which are or were subject to U.S. sanctions. A joint federal investigation found that over a five-year period the company systematically engaged in a wide range of activities, known internally as "work-arounds," to avoid detection by U.S. investigators by concealing the ultimate destination of the transactions. A DOJ press release adds that certain policies and practices that aided this criminal conduct were carried out with the knowledge and approval of the company's senior corporate managers and the knowledge of the company's legal and export compliance departments. DOJ concludes that the company "knowingly and willfully engaged in this criminal conduct, fully aware of the application of U.S. export laws, an issue that was repeatedly raised internally with the company's management."

OFAC states that its base penalty for the alleged violations was \$145.5 million and that the company's potential civil liability was \$50.9 million. Aggravating factors include that the company engaged in willful and reckless alleged violations of U.S. law, knew that it was shipping U.S.-origin parts and parts supplied from or repaired in the U.S. to customers in Iran and Sudan, caused significant harm to the objectives of OFAC's Iran and Sudan sanctions programs given the volume and value of the transactions, had no formal OFAC compliance program in place during most of the five-year period when the alleged violations occurred and did not institute sufficient controls to completely stop the conduct at issue upon discovering the alleged violations. Mitigating factors include that the company voluntarily self-disclosed the alleged violations; has no OFAC sanctions history during the five years preceding the date of the earliest alleged violation; has adopted new and more effective internal controls and procedures, including robust enhancements to its export compliance program; and provided substantial cooperation during the investigation, including by conducting an extensive internal investigation, producing voluminous records in a clear and organized fashion and agreeing to toll the statute of limitations.

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### **Commerce/BIS: Bass Pro, LLC of Springfield, MO, to Pay \$25,000 to Settle Alleged Export Violations**

(Source: [Commerce/BIS](#))

- \* Respondent: Bass Pro, LLC, Springfield, MO
- \* Charges: 15 CFR 764.2(a) - Unlicensed Exports of Rifle Scopes to Canada, China, and Cyprus
- \* Fine or Civil Settlement: Civil Settlement of \$25,000
- \* Debarred or Suspended from Export Transactions: Not if penalty is paid as agreed.
- \* Result of Voluntary Self-Disclosure: Yes
- \* Date of Order: 10 June 2014

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**Commerce/BIS: Jaime Ariel Amaya-Garcia of Raymondville, TX, Is Debarred for Ten Years Due to Export Violations**

(Source: [Commerce/BIS](#))

- \* Respondent: Jaime Ariel Amaya-Garcia, Raymondville, TX.
- \* Charges: Due to being convicted of violating Section 38 of the Arms Export Control Act, the process of debarment was started.
- \* Fine or Civil Settlement: Debarment
- \* Debarred or Suspended from Export Transactions: For a period of 10 years, until March 16, 2023.
- \* Date of Order: 6 June 2014

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**Commerce/BIS: Seyed Mojtaba Atarodi of Teheran, Iran, Is Debarred for Ten Years Due to Export Violations**

(Source: [Commerce/BIS](#))

- \* Respondent: Seyed Mojtaba Atarodi, Teheran, Iran
- \* Charges: Due to being convicted of violating the International Emergency Economic Powers Act
- \* Fine or Civil Settlement: Debarment
- \* Debarred or Suspended from Export Transactions: For a period of 10 years, until April 18, 2023.
- \* Date of Order: 6 June 2014

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