

What happens if I violate Export Controls in the USA – 26 Feb 2014

Commerce/BIS: Intevac, Inc. of Santa Clara, CA, to Pay \$115,000 to Settle Alleged Export Violations
(Source: http://efoia.bis.doc.gov/index.php/component/docman/doc_download/922-e2365?Itemid)

* Respondent: Intevac, Inc., Santa Clara, CA

* Charges:

One charge of 15 CFR 764.2(a) - Engaging in Prohibited Conduct by Releasing National Security-Controlled Technology to a Russian National in the United States Without the Required License.

Three charges of 15 CFR 764.2(e) - Acting with Knowledge.

One charge of 15 CFR 764.2(a) - Engaging in Prohibited Conduct by Exporting National Security-Controlled Technology to China Without the Required License.

* Fine or Civil Settlement: Civil Settlement

* Debarred or Suspended from Export Transactions: Not if penalty is paid as agreed.

* Result of Voluntary Self-Disclosure: Yes

* Date of Order: 19 Feb 2014

* Department News Release (Source: <http://www.bis.doc.gov/index.php/about-bis/newsroom/107-about-bis/newsroom/press-releases/press-release-2014/643-bureau-of-industry-and-security-fines-california-company-for-illegal-export-of-technology-to-russian-engineer-1>):

The U.S. Department of Commerce's Bureau of Industry and Security (BIS), Office of Export Enforcement (OEE), today announced that it has reached a \$115,000 civil settlement with Intevac, Inc., of Santa Clara, CA. BIS fined the company for five violations of the Export Administration Regulations (EAR), including the unauthorized release of export controlled manufacturing technology to a Russian national working at its U.S. facility. The settlement involves "deemed exports," releases of controlled technology made to a foreign national located in the U.S.

"Deemed export compliance is a top priority for the Bureau of Industry and Security," said David W. Mills, Assistant Secretary of Commerce for Export Enforcement. "Today's settlement highlights the need for companies to be vigilant to prevent the unauthorized release of U.S. technology and data."

Intevac voluntarily disclosed the unauthorized release of drawings and blueprints for parts and identification numbers for parts to the Russian national in question, who was employed as an engineer at the company's Santa Clara headquarters. Under the EAR, such information constitutes technology that is controlled for national security reasons. Intevac applied for a deemed export license after discovering the initial releases but failed to prevent additional releases of technology while the license application was pending. BIS charged Intevac with knowledge of these additional releases and considered the company's conduct to be an aggravating factor in the penalty assessment. The company was also charged with one violation related to the unauthorized transmission of technology to its subsidiary in China.

Organizations that most commonly obtain deemed export licenses include universities, high technology research and development institutions and bio-chemical firms. In certain cases, they need to obtain deemed export licenses from BIS before making such releases.

BIS controls exports and reexports of dual-use commodities, technology, and software for reasons of national security, missile technology, nuclear non-proliferation, chemical and biological weapons non-proliferation, crime control, regional stability, foreign policy and anti-terrorism. Criminal penalties and administrative sanctions can be imposed for violations of the Export Administration Regulations. For more information, please visit www.bis.doc.gov.