

What happens if I violate export controls in the USA – 19 Sept 2014

Commerce/BIS: Bruce Lam of Hong Kong, to Pay \$250,000 to Settle Alleged Export Violations

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

- * Respondent: Bruce Lam, Hong Kong.
- * Charges: One charge of 15 C.F.R. § 764.2(h) - Evasion.
- * Fine or Civil Settlement: Civil Settlement of \$250,000.
- * Debarred or Suspended from Export Transactions: Not if penalty is paid as agreed, and Lam has committed no other violation of the Act or the Regulations or any order, license or authorization issued thereunder.
- * Result of Voluntary Self-Disclosure: No.
- * Date of Order: 17 September 2014.

Commerce/BIS: Creative Electronics Ltd. of Hong Kong, Settles Alleged Export Violations

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

- * Respondent: Creative Electronics Ltd., Hong Kong
- * Charges: 29 charges of 15 C.F.R. § 764.2(h) - Evasion; and 29 charges of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct;
- * Fine or Civil Settlement: Civil Settlement of \$3.6 million all of which shall be suspended for a period of five years from the date of this Order, and thereafter shall be waived, provided that during this five-year probationary period under this Order, Creative Electronics has committed no violation of the Act, or any regulation, order, license, or authorization issued thereunder.
- * Debarred or Suspended from Export Transactions: No, provided that Creative Electronics has committed no other violation of the Act or the Regulations or any order, license or authorization issued thereunder.
- * Result of Voluntary Self-Disclosure: No.
- * Date of Order: 17 September 2014.

Commerce/BIS News: "Italian Company Agrees to \$100,000 Penalty for Unlawful Technology Export to Syria"

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

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) today announced that Area S.p.A. (Area), located in Italy, has agreed to a \$100,000 civil penalty settling charges that it knowingly sold U.S.-origin network monitoring equipment to the Syrian Telecommunications Establishment (STE) without the required U.S. Government authorization.

In February 2011, Area sold a Central Monitoring System (CMS) to STE. The CMS is capable of collecting data about web surfing, emails, online chatting, and Voice-over-Internet Protocol (VOIP). In the hands of the Syrian Government, the system could be used to further the repression of the Syrian people.

The sale of the CMS to STE, which contained minimal U.S. content, was not subject to the Export Administration Regulations. However, Area subsequently transferred U.S.-origin network monitoring equipment to STE to monitor and test the CMS. This subsequent transfer required U.S. Government

authorization, which was not obtained. Area purchased the network monitoring equipment, valued at approximately \$140,000, from a company located in San Mateo, California. Area personnel hand-carried the equipment from Italy to Syria and then installed and provided training for STE. Area knew at the time of the transfer that U.S. export regulations prohibited the unlicensed transfer of U.S.-origin items to Syria.

Area cooperated with BIS in its investigation.

BIS controls exports and reexports of commodities, technology, and software to support national security and foreign policy, including nuclear, chemical and biological weapons, and missile non-proliferation, human rights, regional stability, and curbing 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.