

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

In the Matter of:

Fokker Services B.V.
Hoeksteen 40
2132 MS Hoofddorp
The Netherlands

Respondent

**ORDER RELATING TO
FOKKER SERVICES B.V.**

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Fokker Services B.V., of The Netherlands (“FSBV”), of its intention to initiate an administrative proceeding against FSBV pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),² through the issuance of a Proposed Charging Letter to FSBV that alleges that FSBV committed 253 violations of the Regulations. Specifically, the charges are:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2016). The charged violations occurred in 2005-2010. The Regulations governing the violations at issue are found in the 2005-2010 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2016 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (available at <http://uscode.house.gov>). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 7, 2015 (80 Fed. Reg. 48,233 (Aug. 11, 2015)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.* (2012)).

Charges 1 – 88: Acting with Knowledge of a Violation of the Regulations in Connection with Exports or Reexports to Iran of Items Controlled on National Security and Missile Technology Grounds, in Violation of 15 C.F.R. § 764.2(e)

1. On 88 occasions between on or about July 19, 2005, and on or about April 16, 2010, FSBV sold, transferred, transported and/or forwarded to, and/or serviced for, end-users in Iran items subject to the Regulations, classified under Export Control Classification Number (“ECCN”) 1A001 or 7A103, controlled, respectively, on National Security (“NS”) or Missile Technology (“MT”) grounds, and exported or to be exported from the United States, with knowledge that a violation of the Regulations had occurred, was about to occur, or was intended to occur.³ These NS- and MT-controlled items consisted of parts and components used in aircraft avionics and navigation systems, as well as parts and components for other aircraft systems, including engine and communications systems, and were valued in total at approximately \$4,422,089.

2. At all times pertinent hereto, Section 746.7 of the Regulations imposed a BIS license requirement for the export or reexport to Iran, including exports or reexports transshipped through a third country, of the items described in Paragraph 1 above.

3. The Regulations also prohibited the export or reexport to Iran, whether directly or transshipped through a third country, of any item subject to both the Regulations and the Iranian Transactions Regulations (“ITR”), if the transaction was not authorized by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), which administered the ITR.⁴

4. In order to avoid duplication, exporters and reexporters were not required under the Regulations to seek authorization from both BIS and OFAC for exports or reexports subject to both the EAR and the ITR, and accordingly an authorization granted by OFAC was considered authorization for purposes of the EAR as well.

5. However, FSBV did not seek or obtain authorization from BIS, or from OFAC, in connection with any of the activities or transactions at issue.

6. At all pertinent times hereto, Section 764.2(e) of the Regulations prohibited any person from, inter alia, selling, transferring, transporting, forwarding, and servicing, in whole or in part, any item exported or to be exported from the United States and subject to the Regulations with knowledge that a violation of the Regulations had occurred, was about to occur, or was intended to occur. FSBV not only engaged in the alleged activities

³ These items also were controlled on Anti-Terrorism grounds.

⁴ 31 C.F.R. Part 560 (2005-2010). On October 22, 2012, OFAC renamed the ITR as the Iranian Transactions and Sanctions Regulations (“ITSR”), and reissued them in relevant part. *See* 77 Fed. Reg. 64,664 (Oct. 22, 2012).

and transactions with such knowledge, but employed or took numerous schemes and actions to evade the U.S. embargo against Iran and related license requirements and to avoid detection by the U.S. Government.

7. FSBV concealed information about the origin of the items from its vendors and suppliers in the U.S. (and the U.K.),⁵ and by otherwise concealing its business dealings with Iran, in order to induce these vendors and suppliers to unwittingly repair or supply items that FSBV then exported or reexported to Iranian end-users. FSBV's practice of withholding information from such vendors and suppliers was described in numerous email messages and in a memorandum to FSBV's Component and Material Services management team as the "what they don't know won't hurt them" principle. Under this scheme, FSBV developed and maintained lists of repair shops and parts suppliers that were categorized based upon the likelihood that the firms would ask FSBV for end-user information about the items. Those vendors and suppliers that did not seek end-user statements or ask questions about the origin of parts sent to them were chosen by FSBV to service or supply the items for FSBV's Iranian customers. Vendors and suppliers that required end-user information were "blacklisted" by FSBV from working on parts destined for Iranian end-users.

8. FSBV also took additional steps to conceal connections to Iranian customers prior to sending parts to U.S. (and U.K.) companies for repair or servicing. FSBV employees in the Netherlands would receive parts that needed repair or servicing from its Iranian customers, and would then strip identifying information associated with Iranian aircraft from items and packaging before sending those parts on to firms in the U.S. (and U.K.). When such repair shops specifically requested aircraft tail numbers associated with the parts FSBV sent them for repair, FSBV not only routinely withheld the tail numbers of Iranian-registered aircraft, but also provided the repair shops with false tail numbers belonging to non-Iranian aircraft or provided fabricated tail numbers for aircraft that did not actually exist, or asserted that the part was from FSBV stock when in fact it was associated with an Iranian aircraft.

9. In 2007, numerous internal email messages were sent to employees reprimanding them on occasions when authentic identifying information, such as an aircraft's tail number, was included with items that were connected to Iran and then sent to the United States for repair. Ultimately, in February 2008, FSBV inserted an automatic electronic alert notice into its centralized enterprise resource management system that reminded employees to withhold information about Iranian end users from repair shops and suppliers. In contrast, such information was routinely provided to FSBV's outside vendors and suppliers in connection with non-Iranian end-users. The alert notice stated "Supply TAIL-[NUMBERS] except for customers like Iran and other countries that are boycotted." The alert notice also listed "boycotted" countries, including Iran, and listed FSBV's customers associated with each boycotted country.

⁵ U.K. vendors and suppliers are referenced herein in connection with transactions involving U.S.-origin parts.

10. At all pertinent times hereto, FSBV, including its senior management, knew of the long-standing and widely-known U.S. trade embargo against Iran and was aware of the restrictions under U.S. law on exporting and reexporting U.S.-origin items to Iran without U.S. Government authorization.

11. FSBV knew of the need under the Iran embargo for U.S. Government authorization no later than February 2002, when it sought an OFAC license to export U.S.-origin aircraft parts to Iran. FSBV's application also made reference to a prior Commerce Department license that the company indicated had issued in 1990. In January 2004, OFAC denied FSBV's license application, specifically citing the prohibitions on exporting and reexporting to Iran.

12. Moreover, FSBV's knowledge of the U.S. embargo on Iran and on U.S. export licensing requirements is evident in numerous meetings and discussions among senior FSBV management, and among FSBV employees and FSBV management, beginning in at least 2005 and continuing through at least June 2010. These discussions included repeated warnings from FSBV's legal director to FSBV's chief executive officers and other senior executives at the time that U.S. export laws prohibited FSBV from exporting and reexporting U.S.-origin items to Iran. For example, in a February 28, 2008 memorandum prepared for the FSBV management team, the legal director stated that "parties in the US may not do business with Iran and may not provide services to third parties (like [FSBV]) which eventually are meant for Iran. . . . The American laws and policies relating to the subject at hand have a so-called extra-territorial function. If, in the eyes of the US, a Dutch company is in breach of American export laws and policies, then the US will prosecute this Dutch party."

13. Notwithstanding FSBV's specific knowledge of the U.S. embargo on Iran and U.S. license requirements, no U.S. Government authorization was sought or obtained for any of these 88 transactions involving the NS- and MT-controlled items described above. Instead, as set forth above, FSBV engaged in numerous activities to evade U.S. law and avoid detection.

14. In so doing, FSBV committed 88 violations of Section 764.2(e) of the Regulations.

Charges 89 - 98 Acting with Knowledge of a Violation of the Regulations in Connection with Exports to Iranian Military End Users, in Violation of 15 C.F.R. § 764.2(e)

15. On at least 10 occasions between on or about November 17, 2006, and on or about February 12, 2008, FSBV sold, transferred, transported and/or forwarded to, and/or serviced for, Iranian military end users items subject to the Regulations, classified under ECCN 7A994 or 9A991.d, controlled for Anti-Terrorism reasons, and exported or to be exported from the United States, with knowledge that a violation of the Regulations had occurred, was about to occur, or was intended to occur in connection with the items.

These items consisted of aircraft parts and components were valued in total at approximately \$405,435.

16. At all times pertinent hereto, Sections 742.8 and 746.7 of the Regulations imposed a BIS license requirement for the export to Iran, whether directly or transshipped through a third country, of each of the items described in Paragraph 14 above.

17. Paragraphs 6 through 12 above are realleged and incorporated by reference.

18. Notwithstanding FSBV's specific knowledge of the U.S. embargo on Iran and U.S. license requirements, no U.S. Government authorization was sought or obtained for any of these 10 transactions involving military end users in Iran. Instead, as set forth in Paragraphs 6 through 12 and realleged in Paragraph 17 above, FSBV engaged in numerous activities to evade the U.S. embargo against Iran and related license requirements and to avoid detection by the U. S. Government.

19. In so doing, FSBV committed 10 violations of Section 764.2(e) of the Regulations.

**Charges 99-144 Acting with Knowledge of a Violation of the Regulations in
Connection with Exports or Reexports to Iran of Items
Controlled on Anti-Terrorism Grounds, in Violation of 15
C.F.R. § 764.2(e)**

20. On at least 46 occasions between on or about January 23, 2009, and on or about March 3, 2010, FSBV sold, transferred, transported and/or forwarded to, and/or serviced for, Iranian end-users items subject to the Regulations, classified under ECCN 6A998, 7A994, or 9A991.d, controlled for Anti-Terrorism reasons, and exported or to be exported from the United States, with knowledge that a violation of the Regulations had occurred, was about to occur, or was intended to occur in connection with the items. These items consisted of parts and components used in aircraft avionics and navigation systems, as well as parts and components for other aircraft systems, including engine and communications systems, and were valued in total at approximately \$4,746,059.

21. At all times pertinent hereto, Sections 742.8 and 746.7 of the Regulations imposed a BIS license requirement for the export or reexport to Iran, whether directly or transshipped through a third country, of each of the items described in Paragraph 18 above.

22. Paragraphs 6 through 12 above are realleged and incorporated by reference.

23. Notwithstanding FSBV's specific knowledge of the U.S. embargo on Iran and U.S. license requirements, no U.S. Government authorization was sought or obtained for any of these 46 transactions. Instead, as set forth in Paragraphs 6 through 12 and realleged in Paragraph 22 above, FSBV engaged in numerous activities to evade the U.S.

embargo against Iran and related license requirements and to avoid detection by the U. S. Government.

24. In so doing, FSBV committed 46 violations of Section 764.2(e) of the Regulations.

Charges 145-240 Acting Contrary to the Terms of a Denial Order, In Violation of 15 C.F.R. § 764.2(k)

25. On at least 96 occasions between on or about June 18, 2008, and on or about May 29, 2009, FSBV took actions prohibited by a BIS temporary denial order. Iran Air, a FSBV customer, was named as a Denied Person in a temporary denial order ("the TDO") issued by BIS on June 6, 2008, and renewed by BIS for 180 days on December 3, 2008.⁶ Under the TDO, all persons, including FSBV, were prohibited from exporting or reexporting to or on behalf of Iran Air any item subject to the Regulations, and were further prohibited from, *inter alia*, engaging in any transaction to service any item subject to the Regulations that had been or would be exported from the United States and was owned, possessed, or controlled by Iran Air. FSBV violated the TDO by engaging in 96 transactions in which it exported or reexported items subject to the EAR to Iran Air and/or serviced items subject to the Regulations and owned or controlled by Iran Air. The items consisted of parts and components used in aircraft avionics and navigation systems and other aircraft systems, were classified under ECCN 1A001.c, 7A103.a, 6A998, 7A994, 9A991.d, or 9A991.e, and were controlled for National Security, Missile Technology, and/or Anti-Terrorism reasons. The items were valued in total at \$999,141.

26. In acting contrary to the terms of the TDO, FSBV committed 96 violations of Section 764.2(k) of the Regulations.

Charges 241-253 Exporting and Reexporting Items Controlled on National Security and Anti-Terrorism Grounds to Sudan Without the Required Licenses, in Violation of 15 C.F.R. § 764.2(a)

27. On 13 occasions between on or about July 24, 2006, and on or about September 1, 2010, FSBV engaged in conduct prohibited by the Regulations by exporting or reexporting aircraft parts and components, items subject to the Regulations, classified under Export Control Classification Numbers (ECCN) 1A001.c, 7A994, or 9A991.d, and controlled for National Security and/or Anti-Terrorism reasons, to Sudan without the required licenses. The items were valued in total at approximately \$152,381.

⁶ The TDO was effective upon its issuance on June 6, 2008, and was published in the *Federal Register* on June 17, 2008. 73 Fed. Reg. 34,249. The TDO renewal order was effective upon issuance on December 3, 2008, was published on December 11, 2008 (73 Fed. Reg. 75,386), and remained in force until June 1, 2009.

28. At all pertinent times hereto, a license was required for the export or reexport of these items to Sections under Section 742.4 and/or 742.10 of the Regulations.⁷ By exporting or reexporting the items to Sudan without the required licenses, FSBV committed 13 violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS and FSBV have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations, whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein;

WHEREAS, I have approved of the terms of such Settlement Agreement; and

WHEREAS, in doing so, I have taken into consideration the deferred prosecution agreement ("DPA") that FSBV has entered into with the U.S. Attorney's Office for the District of Columbia ("USAO"), and the settlement agreement that FSBV has entered into with the Department of the Treasury's Office of Foreign Assets Control ("OFAC Settlement Agreement");

IT IS THEREFORE ORDERED:

FIRST, FSBV shall be assessed a civil penalty in the amount of \$10,500,000, to be paid pursuant to the respective terms of this Agreement and the OFAC Settlement Agreement. FSBV shall pay this amount in full to the U.S. Treasury by June 8, 2016.

SECOND, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and if payment is not made by the due date specified herein, FSBV will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

⁷ The transactions involving items classified under ECCN 7A994 or 9A991.d were exports.

THIRD, the full and timely payment of the civil penalty as set forth above and compliance with the DPA and the OFAC Settlement Agreement are hereby made conditions to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to FSBV. Accordingly, if FSBV should fail to pay the civil penalty in a full and timely manner, the undersigned may issue an order denying all of FSBV's export privileges under the Regulations for a period of one year from the date of failure to make such payment. Additionally, the failure by FSBV to comply in full with the DPA or the OFAC Settlement Agreement may result in the denial of FSBV's export privileges for a period of one year from the date on which it is determined that a violation of the DPA or the OFAC Settlement Agreement, as applicable, has occurred.

FOURTH, FSBV shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or the Order. The foregoing does not affect FSBV testimonial obligations in any proceeding, nor does it affect its right to take legal or factual positions in civil litigation or other civil proceedings in which the U.S. Department of Commerce is not a party.

FIFTH, the Proposed Charging Letter, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.

A handwritten signature in black ink, appearing to read "D. W. Mills", is written over a horizontal line.

David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Issued this 2nd day of June, 2016.

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

In the Matter of:

Fokker Services B.V.
Hoeksteen 40
2132 MS Hoofddorp
The Netherlands

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Fokker Services B.V., of The Netherlands ("FSBV"), and the Bureau of Industry and Security, U.S. Department of Commerce ("BIS") (collectively, the "Parties"), pursuant to Section 766.18(a) of the Export Administration Regulations (the "Regulations"),¹ issued pursuant to the Export Administration Act of 1979, as amended (the "Act").²

WHEREAS, BIS has notified FSBV of its intentions to initiate an administrative proceeding against it, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Proposed Charging Letter to FSBV that alleges that FSBV committed 253 violations of the Regulations, specifically:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2013). The charged violations occurred in 2005-2010. The Regulations governing the violations at issue are found in the 2005-2010 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2013 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 8, 2013 (78 Fed. Reg. 49107 (Aug. 12, 2013)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 & Supp. IV 2010).

Charges 1 – 88: Acting with Knowledge of a Violation of the Regulations in Connection with Exports or Reexports to Iran of Items Controlled on National Security and Missile Technology Grounds, in Violation of 15 C.F.R. § 764.2(e)

1. On 88 occasions between on or about July 19, 2005, and on or about April 16, 2010, FSBV sold, transferred, transported and/or forwarded to, and/or serviced for, end-users in Iran items subject to the Regulations, classified under Export Control Classification Number (“ECCN”) 1A001 or 7A103, controlled, respectively, on National Security (“NS”) or Missile Technology (“MT”) grounds, and exported or to be exported from the United States, with knowledge that a violation of the Regulations had occurred, was about to occur, or was intended to occur.³ These NS- and MT-controlled items consisted of parts and components used in aircraft avionics and navigation systems, as well as parts and components for other aircraft systems, including engine and communications systems, and were valued in total at approximately \$4,422,089.

2. At all times pertinent hereto, Section 746.7 of the Regulations imposed a BIS license requirement for the export or reexport to Iran, including exports or reexports transshipped through a third country, of the items described in Paragraph 1 above.

3. The Regulations also prohibited the export or reexport to Iran, whether directly or transshipped through a third country, of any item subject to both the Regulations and the Iranian Transactions Regulations (“ITR”), if the transaction was not authorized by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), which administered the ITR.⁴

4. In order to avoid duplication, exporters and reexporters were not required under the Regulations to seek authorization from both BIS and OFAC for exports or reexports subject to both the EAR and the ITR, and accordingly an authorization granted by OFAC was considered authorization for purposes of the EAR as well.

5. However, FSBV did not seek or obtain authorization from BIS, or from OFAC, in connection with any of the activities or transactions at issue.

6. At all pertinent times hereto, Section 764.2(e) of the Regulations prohibited any person from, inter alia, selling, transferring, transporting, forwarding, and servicing, in whole or in part, any item exported or to be exported from the United States and subject to the Regulations with knowledge that a violation of the Regulations had occurred, was about to occur, or was intended to occur. FSBV not only engaged in the alleged activities and transactions with such knowledge, but employed or took numerous schemes and

³ These items also were controlled on Anti-Terrorism grounds.

⁴ 31 C.F.R. Part 560 (2005-2010). On October 22, 2012, OFAC renamed the ITR as the Iranian Transactions and Sanctions Regulations (“ITSR”), and reissued them in relevant part. *See* 77 Fed. Reg. 64,664 (Oct. 22, 2012).

actions to evade the U.S. embargo against Iran and related license requirements and to avoid detection by the U.S. Government.

7. FSBV concealed information about the origin of the items from its vendors and suppliers in the U.S. (and the U.K.),⁵ and by otherwise concealing its business dealings with Iran, in order to induce these vendors and suppliers to unwittingly repair or supply items that FSBV then exported or reexported to Iranian end-users. FSBV's practice of withholding information from such vendors and suppliers was described in numerous email messages and in a memorandum to FSBV's Component and Material Services management team as the "what they don't know won't hurt them" principle. Under this scheme, FSBV developed and maintained lists of repair shops and parts suppliers that were categorized based upon the likelihood that the firms would ask FSBV for end-user information about the items. Those vendors and suppliers that did not seek end-user statements or ask questions about the origin of parts sent to them were chosen by FSBV to service or supply the items for FSBV's Iranian customers. Vendors and suppliers that required end-user information were "blacklisted" by FSBV from working on parts destined for Iranian end-users.

8. FSBV also took additional steps to conceal connections to Iranian customers prior to sending parts to U.S. (and U.K.) companies for repair or servicing. FSBV employees in the Netherlands would receive parts that needed repair or servicing from its Iranian customers, and would then strip identifying information associated with Iranian aircraft from items and packaging before sending those parts on to firms in the U.S. (and U.K.). When such repair shops specifically requested aircraft tail numbers associated with the parts FSBV sent them for repair, FSBV not only routinely withheld the tail numbers of Iranian-registered aircraft, but also provided the repair shops with false tail numbers belonging to non-Iranian aircraft or provided fabricated tail numbers for aircraft that did not actually exist, or asserted that the part was from FSBV stock when in fact it was associated with an Iranian aircraft.

9. In 2007, numerous internal email messages were sent to employees reprimanding them on occasions when authentic identifying information, such as an aircraft's tail number, was included with items that were connected to Iran and then sent to the United States for repair. Ultimately, in February 2008, FSBV inserted an automatic electronic alert notice into its centralized enterprise resource management system that reminded employees to withhold information about Iranian end users from repair shops and suppliers. In contrast, such information was routinely provided to FSBV's outside vendors and suppliers in connection with non-Iranian end-users. The alert notice stated "Supply TAIL-[NUMBERS] except for customers like Iran and other countries that are boycotted." The alert notice also listed "boycotted" countries, including Iran, and listed FSBV's customers associated with each boycotted country.

⁵ U.K. vendors and suppliers are referenced herein in connection with transactions involving U.S.-origin parts.

10. At all pertinent times hereto, FSBV, including its senior management, knew of the long-standing and widely-known U.S. trade embargo against Iran and was aware of the restrictions under U.S. law on exporting and reexporting U.S.-origin items to Iran without U.S. Government authorization.

11. FSBV knew of the need under the Iran embargo for U.S. Government authorization no later than February 2002, when it sought an OFAC license to export U.S.-origin aircraft parts to Iran. FSBV's application also made reference to a prior Commerce Department license that the company indicated had issued in 1990. In January 2004, OFAC denied FSBV's license application, specifically citing the prohibitions on exporting and reexporting to Iran.

12. Moreover, FSBV's knowledge of the U.S. embargo on Iran and on U.S. export licensing requirements is evident in numerous meetings and discussions among senior FSBV management, and among FSBV employees and FSBV management, beginning in at least 2005 and continuing through at least June 2010. These discussions included repeated warnings from FSBV's legal director to FSBV's chief executive officers and other senior executives at the time that U.S. export laws prohibited FSBV from exporting and reexporting U.S.-origin items to Iran. For example, in a February 28, 2008 memorandum prepared for the FSBV management team, the legal director stated that "parties in the US may not do business with Iran and may not provide services to third parties (like [FSBV]) which eventually are meant for Iran. ... The American laws and policies relating to the subject at hand have a so-called extra-territorial function. If, in the eyes of the US, a Dutch company is in breach of American export laws and policies, then the US will prosecute this Dutch party."

13. Notwithstanding FSBV's specific knowledge of the U.S. embargo on Iran and U.S. license requirements, no U.S. Government authorization was sought or obtained for any of these 88 transactions involving the NS- and MT-controlled items described above. Instead, as set forth above, FSBV engaged in numerous activities to evade U.S. law and avoid detection.

14. In so doing, FSBV committed 88 violations of Section 764.2(c) of the Regulations.

Charges 89 - 98 Acting with Knowledge of a Violation of the Regulations in Connection with Exports to Iranian Military End Users, in Violation of 15 C.F.R. § 764.2(e)

15. On at least 10 occasions between on or about November 17, 2006, and on or about February 12, 2008, FSBV sold, transferred, transported and/or forwarded to, and/or serviced for, Iranian military end users items subject to the Regulations, classified under ECCN 7A994 or 9A991.d, controlled for Anti-Terrorism reasons, and exported or to be exported from the United States, with knowledge that a violation of the Regulations had occurred, was about to occur, or was intended to occur in connection with the items.

These items consisted of aircraft parts and components were valued in total at approximately \$405,435.

16. At all times pertinent hereto, Sections 742.8 and 746.7 of the Regulations imposed a BIS license requirement for the export to Iran, whether directly or transshipped through a third country, of each of the items described in Paragraph 14 above.

17. Paragraphs 6 through 12 above are realleged and incorporated by reference.

18. Notwithstanding FSBV's specific knowledge of the U.S. embargo on Iran and U.S. license requirements, no U.S. Government authorization was sought or obtained for any of these 10 transactions involving military end users in Iran. Instead, as set forth in Paragraphs 6 through 12 and realleged in Paragraph 17 above, FSBV engaged in numerous activities to evade the U.S. embargo against Iran and related license requirements and to avoid detection by the U. S. Government.

19. In so doing, FSBV committed 10 violations of Section 764.2(c) of the Regulations.

**Charges 99-144 Acting with Knowledge of a Violation of the Regulations in
Connection with Exports or Reexports to Iran of Items
Controlled on Anti-Terrorism Grounds, in Violation of 15
C.F.R. § 764.2(e)**

20. On at least 46 occasions between on or about January 23, 2009, and on or about March 3, 2010, FSBV sold, transferred, transported and/or forwarded to, and/or serviced for, Iranian end-users items subject to the Regulations, classified under ECCN 6A998, 7A994, or 9A991.d, controlled for Anti-Terrorism reasons, and exported or to be exported from the United States, with knowledge that a violation of the Regulations had occurred, was about to occur, or was intended to occur in connection with the items. These items consisted of parts and components used in aircraft avionics and navigation systems, as well as parts and components for other aircraft systems, including engine and communications systems, and were valued in total at approximately \$4,746,059.

21. At all times pertinent hereto, Sections 742.8 and 746.7 of the Regulations imposed a BIS license requirement for the export or reexport to Iran, whether directly or transshipped through a third country, of each of the items described in Paragraph 18 above.

22. Paragraphs 6 through 12 above are realleged and incorporated by reference.

23. Notwithstanding FSBV's specific knowledge of the U.S. embargo on Iran and U.S. license requirements, no U.S. Government authorization was sought or obtained for any of these 46 transactions. Instead, as set forth in Paragraphs 6 through 12 and realleged in Paragraph 22 above, FSBV engaged in numerous activities to evade the U.S.

embargo against Iran and related license requirements and to avoid detection by the U. S. Government.

24. In so doing, FSBV committed 46 violations of Section 764.2(e) of the Regulations.

Charges 145-240 Acting Contrary to the Terms of a Denial Order, In Violation of 15 C.F.R. § 764.2(k)

25. On at least 96 occasions between on or about June 18, 2008, and on or about May 29, 2009, FSBV took actions prohibited by a BIS temporary denial order. Iran Air, a FSBV customer, was named as a Denied Person in a temporary denial order ("the TDO") issued by BIS on June 6, 2008, and renewed by BIS for 180 days on December 3, 2008.⁶ Under the TDO, all persons, including FSBV, were prohibited from exporting or reexporting to or on behalf of Iran Air any item subject to the Regulations, and were further prohibited from, *inter alia*, engaging in any transaction to service any item subject to the Regulations that had been or would be exported from the United States and was owned, possessed, or controlled by Iran Air. FSBV violated the TDO by engaging in 96 transactions in which it exported or reexported items subject to the EAR to Iran Air and/or serviced items subject to the Regulations and owned or controlled by Iran Air. The items consisted of parts and components used in aircraft avionics and navigation systems and other aircraft systems, were classified under ECCN 1A001.c, 7A103.a, 6A998, 7A994, 9A991.d, or 9A991.e, and were controlled for National Security, Missile Technology, and/or Anti-Terrorism reasons. The items were valued in total at \$999,141.

26. In acting contrary to the terms of the TDO, FSBV committed 96 violations of Section 764.2(k) of the Regulations.

Charges 241-253 Exporting and Reexporting Items Controlled on National Security and Anti-Terrorism Grounds to Sudan Without the Required Licenses, in Violation of 15 C.F.R. § 764.2(a)

27. On 13 occasions between on or about July 24, 2006, and on or about September 1, 2010, FSBV engaged in conduct prohibited by the Regulations by exporting or reexporting aircraft parts and components, items subject to the Regulations, classified under Export Control Classification Numbers (ECCN) 1A001.c, 7A994, or 9A991.d, and controlled for National Security and/or Anti-Terrorism reasons, to Sudan without the required licenses. The items were valued in total at approximately \$152,381.

⁶ The TDO was effective upon its issuance on June 6, 2008, and was published in the *Federal Register* on June 17, 2008. 73 Fed. Reg. 34,249. The TDO renewal order was effective upon issuance on December 3, 2008, was published on December 11, 2008 (73 Fed. Reg. 75,386), and remained in force until June 1, 2009.

28. At all pertinent times hereto, a license was required for the export or reexport of these items to Sections under Section 742.4 and/or 742.10 of the Regulations.⁷ By exporting or reexporting the items to Sudan without the required licenses, FSBV committed 13 violations of Section 764.2(a) of the Regulations.

WHEREAS, FSBV has reviewed the Proposed Charging Letter and is aware of the allegations made against it and the administrative sanctions that could be imposed against it if the allegations are found to be true;

WHEREAS, FSBV fully understands the terms of this Agreement and the Order ("Order") that the Assistant Secretary of Commerce for Export Enforcement will issue if he approves this Agreement as the final resolution of this matter;

WHEREAS, FSBV enters into this Agreement voluntarily and with full knowledge of its rights, after having consulted with counsel;

WHEREAS, the Parties enter into this Agreement having taken into consideration the deferred prosecution agreement ("DPA") that FSBV has entered into with the U.S. Attorney's Office for the District of Columbia ("USAO"), and the settlement agreement that FSBV has entered into with the Department of the Treasury's Office of Foreign Assets Control ("OFAC Settlement Agreement");

WHEREAS, FSBV accepts and acknowledges responsibility for its conduct and that of its employees as set forth in the Factual Statement attached to the DPA as Exhibit A thereto;

WHEREAS, FSBV states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, FSBV agrees to be bound by the Order, if issued;

⁷ The transactions involving items classified under ECCN 7A994 or 9A991.d were exports.

NOW THEREFORE, the Parties hereby agree, for purposes of this Settlement Agreement, as follows:

A. BIS has jurisdiction over FSBV, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.

B. The following sanctions shall be imposed against FSBV in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the Proposed Charging Letter:

i. FSBV shall be assessed a civil penalty in the amount of \$10,500,000, to be paid pursuant to the respective terms of this Agreement and the OFAC Settlement Agreement. FSBV shall pay this amount in full to the U.S. Treasury by June 8, 2016. Payment shall be made pursuant to the payment instructions to be supplied by the Department of the Treasury.

ii. The full and timely payment of the civil penalty agreed to in Paragraph B.i above and compliance with the DPA and the OFAC Settlement Agreement are hereby made conditions to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to FSBV. The failure to make full and timely payment of the civil penalty may result in the denial of all of FSBV's export privileges under the Regulations for one year from the date of the failure to make such payment. The

failure by FSBV to comply in full with the DPA or the OFAC Settlement Agreement may result in the denial of FSBV's export privileges for a period of one year from the date on which it is determined that a violation of the DPA or the OFAC Settlement Agreement, as applicable, has occurred.

C. Subject to the approval of this Agreement pursuant to Paragraph H. below, FSBV hereby waives any claims, whether asserted or unasserted, against BIS, the U.S. Department of Commerce and/or its officials and employees arising out of the facts and circumstances giving rise to the matters that resulted in this Agreement, including, but not limited to, BIS's investigation of the facts and circumstances giving rise to the BIS allegations and BIS's issuance of the Proposed Charging Letter. FSBV also hereby waives any possible legal objections to this Agreement at any future date and all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the BIS Order, if issued), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any proposed charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if issued; and (c) seek judicial review or otherwise contest the validity of this Agreement or the BIS Order, if issued. FSBV waives and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, in connection with any violation of the Act or the Regulations arising out of the transactions identified in the Proposed Charging Letter or in connection with collection of the civil penalty or enforcement of this Agreement and the Order, if issued, from the date of the Order until the latest of the date FSBV pays in full the civil penalty agreed to in Paragraph B.i of this Agreement, complies with the DPA, or complies with the OFAC Settlement Agreement.

D. FSBV shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or the Order. The foregoing does not affect FSBV testimonial obligations in any proceeding, nor does it affect its right to take legal or factual positions in civil litigation or other civil proceedings in which the U.S. Department of Commerce is not a party.

E. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph B.i above, and compliance with the DPA and the OFAC Settlement Agreement, BIS will not initiate any further administrative proceeding against FSBV in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

F. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

G. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.


H. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing the Order, which

will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

I. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, available to the public.


I. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND
SECURITY
U.S. DEPARTMENT OF COMMERCE



Douglas R. Hassebrock
Director of Export Enforcement

FOKKER SERVICES B.V.

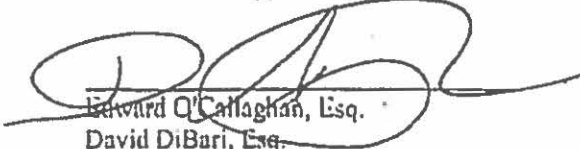


Peter Somers
President
Fokker Services B.V.

Date: 3 Jun 14

Date: 30 May 2014

Reviewed and approved by:



Edward O'Callaghan, Esq.
David DiBari, Esq.
Michelle Williams, Esq.
Clifford Chance US LLP
Counsel for Fokker Services B.V.

Date: 3 June, 2014

PROPOSED CHARGING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Fokker Services B.V.
Hoeksteen 40
2132 MS HOOFDORP
The Netherlands

Attention: Peter Somers, President

Dear Mr. Somers:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Fokker Services B.V., of The Netherlands ("FSBV"), committed 253 violations of the Export Administration Regulations (the "Regulations" or the "EAR"),¹ which are issued under the authority of the Export Administration Act of 1979, as amended (the "Act").² Specifically, BIS charges that FSBV committed the following violations:

Charges 1 – 88: Acting with Knowledge of a Violation of the Regulations in Connection with Exports or Reexports to Iran of Items Controlled on National Security and Missile Technology Grounds, in Violation of 15 C.F.R. § 764.2(e)

1. As set forth in greater detail in the Schedule A hereto, on 88 occasions between on or about July 19, 2005, and on or about April 16, 2010, FSBV sold, transferred, transported and/or forwarded to, and/or serviced for, end-users in Iran items subject to the Regulations, classified under Export Control Classification Number ("ECCN") 1A001 or 7A103, controlled, respectively, on National Security ("NS") or Missile Technology ("MT") grounds, and exported or to be exported from the United States, with knowledge that a violation of the Regulations had occurred, was about to occur, or was intended to occur.³ These NS- and MT-controlled items consisted of parts and components used in aircraft avionics and navigation systems, as well as parts and components for other

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2013). The violations charged occurred between 2005 and 2010. The Regulations governing the violations at issue are found in the 2005-2010 versions of the Code of Federal Regulations. *See* 15 C.F.R. Parts 730-774 (2005-2010). The 2013 Regulations govern the procedural aspects of this case.

² 50 U.S.C. app. §§ 2401- 2420 (2000). Since August 21, 2001 the Act has been in lapse. However, the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 8, 2013 (78 Fed. Reg. 49,107 (Aug. 12, 2013)), has continued the Regulations in effect under International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*) (2006 & Supp. IV 2010) ("IEEPA").

³ These items also were controlled on Anti-Terrorism grounds.

aircraft systems, including engine and communications systems, and were valued in total at approximately \$4,422,089.

2. At all times pertinent hereto, Section 746.7 of the Regulations imposed a BIS license requirement for the export or reexport to Iran, including exports or reexports transshipped through a third country, of the items described in Paragraph 1 above.

3. The Regulations also prohibited the export or reexport to Iran, whether directly or transshipped through a third country, of any item subject to both the Regulations and the Iranian Transactions Regulations (“ITR”), if the transaction was not authorized by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), which administered the ITR.⁴

4. In order to avoid duplication, exporters and reexporters were not required under the Regulations to seek authorization from both BIS and OFAC for exports or reexports subject to both the EAR and the ITR, and accordingly an authorization granted by OFAC was considered authorization for purposes of the EAR as well.

5. However, FSBV did not seek or obtain authorization from BIS, or from OFAC, in connection with any of the activities or transactions at issue.

6. At all pertinent times hereto, Section 764.2(e) of the Regulations prohibited any person from, inter alia, selling, transferring, transporting, forwarding, and servicing, in whole or in part, any item exported or to be exported from the United States and subject to the Regulations with knowledge that a violation of the Regulations had occurred, was about to occur, or was intended to occur. FSBV not only engaged in the alleged activities and transactions with such knowledge, but employed or took numerous schemes and actions to evade the U.S. embargo against Iran and related license requirements and to avoid detection by the U.S. Government.

7. FSBV concealed information about the origin of the items from its vendors and suppliers in the U.S. (and the U.K.),⁵ and by otherwise concealing its business dealings with Iran, in order to induce these vendors and suppliers to unwittingly repair or supply items that FSBV then exported or reexported to Iranian end-users. FSBV’s practice of withholding information from such vendors and suppliers was described in numerous email messages and in a memorandum to FSBV’s Component and Material Services management team as the “what they don’t know won’t hurt them” principle. Under this scheme, FSBV developed and maintained lists of repair shops and parts suppliers that were categorized based upon the likelihood that the firms would ask FSBV for end-user information about the items. Those vendors and suppliers that did not seek end-user

⁴ 31 C.F.R. Part 560 (2005-2010). On October 22, 2012, OFAC renamed the ITR as the Iranian Transactions and Sanctions Regulations (“ITSR”), and reissued them in relevant part. *See* 77 Fed. Reg. 64,664 (Oct. 22, 2012).

⁵ U.K. vendors and suppliers are referenced herein in connection with transactions involving U.S.-origin parts.

statements or ask questions about the origin of parts sent to them were chosen by FSBV to service or supply the items for FSBV's Iranian customers. Vendors and suppliers that required end-user information were "blacklisted" by FSBV from working on parts destined for Iranian end-users.

8. FSBV also took additional steps to conceal connections to Iranian customers prior to sending parts to U.S. (and U.K.) companies for repair or servicing. FSBV employees in the Netherlands would receive parts that needed repair or servicing from its Iranian customers, and would then strip identifying information associated with Iranian aircraft from items and packaging before sending those parts on to firms in the U.S. (and U.K.). When such repair shops specifically requested aircraft tail numbers associated with the parts FSBV sent them for repair, FSBV not only routinely withheld the tail numbers of Iranian-registered aircraft, but also provided the repair shops with false tail numbers belonging to non-Iranian aircraft or provided fabricated tail numbers for aircraft that did not actually exist, or asserted that the part was from FSBV stock when in fact it was associated with an Iranian aircraft.

9. In 2007, numerous internal email messages were sent to employees reprimanding them on occasions when authentic identifying information, such as an aircraft's tail number, was included with items that were connected to Iran and then sent to the United States for repair. Ultimately, in February 2008, FSBV inserted an automatic electronic alert notice into its centralized enterprise resource management system that reminded employees to withhold information about Iranian end users from repair shops and suppliers. In contrast, such information was routinely provided to FSBV's outside vendors and suppliers in connection with non-Iranian end-users. The alert notice stated "Supply TAIL-[NUMBERS] except for customers like Iran and other countries that are boycotted." The alert notice also listed "boycotted" countries, including Iran, and listed FSBV's customers associated with each boycotted country.

10. At all pertinent times hereto, FSBV, including its senior management, knew of the long-standing and widely-known U.S. trade embargo against Iran and was aware of the restrictions under U.S. law on exporting and reexporting U.S.-origin items to Iran without U.S. Government authorization.

11. FSBV knew of the need under the Iran embargo for U.S. Government authorization no later than February 2002, when it sought an OFAC license to export U.S.-origin aircraft parts to Iran. FSBV's application also made reference to a prior Commerce Department license that the company indicated had issued in 1990. In January 2004, OFAC denied FSBV's license application, specifically citing the prohibitions on exporting and reexporting to Iran.

12. Moreover, FSBV's knowledge of the U.S. embargo on Iran and on U.S. export licensing requirements is evident in numerous meetings and discussions among senior FSBV management, and among FSBV employees and FSBV management, beginning in at least 2005 and continuing through at least June 2010. These discussions included repeated warnings from FSBV's legal director to FSBV's chief executive officers and

other senior executives at the time that U.S. export laws prohibited FSBV from exporting and reexporting U.S.-origin items to Iran. For example, in a February 28, 2008 memorandum prepared for the FSBV management team, the legal director stated that “parties in the US may not do business with Iran and may not provide services to third parties (like [FSBV]) which eventually are meant for Iran. ... The American laws and policies relating to the subject at hand have a so-called extra-territorial function. If, in the eyes of the US, a Dutch company is in breach of American export laws and policies, then the US will prosecute this Dutch party.”

13. Notwithstanding FSBV’s specific knowledge of the U.S. embargo on Iran and U.S. license requirements, no U.S. Government authorization was sought or obtained for any of these 88 transactions involving the NS- and MT-controlled items described above. Instead, as set forth above, FSBV engaged in numerous activities to evade U.S. law and avoid detection.

14. In so doing, FSBV committed 88 violations of Section 764.2(e) of the Regulations.

Charges 89 - 98 Acting with Knowledge of a Violation of the Regulations in Connection with Exports to Iranian Military End Users, in Violation of 15 C.F.R. § 764.2(e)

15. As set forth in greater detail in Schedule B hereto, on at least 10 occasions between on or about November 17, 2006, and on or about February 12, 2008, FSBV sold, transferred, transported and/or forwarded to, and/or serviced for, Iranian military end users items subject to the Regulations, classified under ECCN 7A994 or 9A991.d, controlled for Anti-Terrorism reasons, and exported or to be exported from the United States, with knowledge that a violation of the Regulations had occurred, was about to occur, or was intended to occur in connection with the items. These items consisted of aircraft parts and components were valued in total at approximately \$405,435.

16. At all times pertinent hereto, Sections 742.8 and 746.7 of the Regulations imposed a BIS license requirement for the export to Iran, whether directly or transshipped through a third country, of each of the items described in Paragraph 14 above.

17. Paragraphs 6 through 12 above are realleged and incorporated by reference.

18. Notwithstanding FSBV’s specific knowledge of the U.S. embargo on Iran and U.S. license requirements, no U.S. Government authorization was sought or obtained for any of these 10 transactions involving military end users in Iran. Instead, as set forth in Paragraphs 6 through 12 and realleged in Paragraph 17 above, FSBV engaged in numerous activities to evade the U.S. embargo against Iran and related license requirements and to avoid detection by the U. S. Government.

19. In so doing, FSBV committed 10 violations of Section 764.2(e) of the Regulations.

Charges 99-144 Acting with Knowledge of a Violation of the Regulations in Connection with Exports or Reexports to Iran of Items Controlled on Anti-Terrorism Grounds, in Violation of 15 C.F.R. § 764.2(e)

20. As set forth in greater detail in Schedule C hereto, on at least 46 occasions between on or about January 23, 2009, and on or about March 3, 2010, FSBV sold, transferred, transported and/or forwarded to, and/or serviced for, Iranian end-users items subject to the Regulations, classified under ECCN 6A998, 7A994, or 9A991.d, controlled for Anti-Terrorism reasons, and exported or to be exported from the United States, with knowledge that a violation of the Regulations had occurred, was about to occur, or was intended to occur in connection with the items. These items consisted of parts and components used in aircraft avionics and navigation systems, as well as parts and components for other aircraft systems, including engine and communications systems, and were valued in total at approximately \$4,746,059.

21. At all times pertinent hereto, Sections 742.8 and 746.7 of the Regulations imposed a BIS license requirement for the export or reexport to Iran, whether directly or transshipped through a third country, of each of the items described in Paragraph 18 above.

22. Paragraphs 6 through 12 above are realleged and incorporated by reference.

23. Notwithstanding FSBV's specific knowledge of the U.S. embargo on Iran and U.S. license requirements, no U.S. Government authorization was sought or obtained for any of these 46 transactions. Instead, as set forth in Paragraphs 6 through 12 and realleged in Paragraph 22 above, FSBV engaged in numerous activities to evade the U.S. embargo against Iran and related license requirements and to avoid detection by the U. S. Government.

24. In so doing, FSBV committed 46 violations of Section 764.2(e) of the Regulations.

Charges 145-240 Acting Contrary to the Terms of a Denial Order, In Violation of 15 C.F.R. § 764.2(k)

25. As set forth in greater detail in the Schedule D hereto, on at least 96 occasions between on or about June 18, 2008, and on or about May 29, 2009, FSBV took actions prohibited by a BIS temporary denial order. Iran Air, a FSBV customer, was named as a Denied Person in a temporary denial order ("the TDO") issued by BIS on June 6, 2008, and renewed by BIS for 180 days on December 3, 2008.⁶ Under the TDO, all persons,

⁶ The TDO was effective upon its issuance on June 6, 2008, and was published in the *Federal Register* on June 17, 2008. 73 Fed. Reg. 34,249. The TDO renewal order was effective upon issuance on December 3, 2008, was published on December 11, 2008 (73 Fed. Reg. 75,386), and remained in force until June 1, 2009.

including FSBV, were prohibited from exporting or reexporting to or on behalf of Iran Air any item subject to the Regulations, and were further prohibited from, *inter alia*, engaging in any transaction to service any item subject to the Regulations that had been or would be exported from the United States and was owned, possessed, or controlled by Iran Air. FSBV violated the TDO by engaging in 96 transactions in which it exported or reexported items subject to the EAR to Iran Air and/or serviced items subject to the Regulations and owned or controlled by Iran Air. The items consisted of parts and components used in aircraft avionics and navigation systems and other aircraft systems, were classified under ECCN 1A001.c, 7A103.a, 6A998, 7A994, 9A991.d, or 9A991.e, and were controlled for National Security, Missile Technology, and/or Anti-Terrorism reasons. The items were valued in total at \$999,141.

26. In acting contrary to the terms of the TDO, FSBV committed 96 violations of Section 764.2(k) of the Regulations.

Charges 241-253 Exporting and Reexporting Items Controlled on National Security and Anti-Terrorism Grounds to Sudan Without the Required Licenses, in Violation of 15 C.F.R. § 764.2(a)

27. As set forth in greater detail in the Schedule E hereto, on 13 occasions between on or about July 24, 2006, and on or about September 1, 2010, FSBV engaged in conduct prohibited by the Regulations by exporting or reexporting aircraft parts and components, items subject to the Regulations, classified under Export Control Classification Numbers (ECCN) 1A001.c, 7A994, or 9A991.d, and controlled for National Security and/or Anti-Terrorism reasons, to Sudan without the required licenses. The items were valued in total at approximately \$152,381.

28. At all pertinent times hereto, a license was required for the export or reexport of these items to Sections under Section 742.4 and/or 742.10 of the Regulations.⁷ By exporting or reexporting the items to Sudan without the required licenses, FSBV committed 13 violations of Section 764.2(a) of the Regulations.

* * * * *

Accordingly, FSBV is hereby notified that an administrative proceeding is instituted against FSBV pursuant to Section 13(c) of the Act and Part 766 of the Regulations for

⁷ The transactions involving items classified under ECCN 7A994 or 9A991.d were exports.

the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

- The maximum civil penalty allowed by law of up to the greater of \$250,000 per violation, or twice the value of the transaction that is the basis of the violation;⁸
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If FSBV fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. *See* 15 C.F.R. §§ 766.6 and 766.7 (2013). If FSBV defaults, the Administrative Law Judge may find the charges alleged in this letter to be true without a hearing or further notice to FSBV. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty based on the charge in this letter.

FSBV is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. *See* 15 C.F.R. § 766.6 (2013). FSBV is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. 15 C.F.R. §§ 766.3(a) and 766.4 (2013).

FSBV is additionally notified that under the Small Business Regulatory Enforcement Flexibility Act, it may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18 (2013). Should FSBV have a proposal to settle this case, FSBV or its representative should transmit it through the attorney representing BIS, who is named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, FSBV's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center
40 S. Gay Street
Baltimore, Maryland 21202-4022

⁸ *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

In addition, a copy of FSBV's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security
Attention: Elias Wolfberg, Esq.
Room H-3839
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230.

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement

Schedule A Charges 1-88					
VIOLATION NUMBER	DATE	SHIPMENT NUMBER	VALUE	ECCN	END USER
1	7/19/2005	IRAN AIR 38552	\$23,539.68	7A103.a	IRAN AIR
2	7/30/2005	IRAN ASEMAN AIRLINES 38563	\$62,712.70	9A991.d, 7A994, 7A103.a	IRAN ASEMAN AIRLINES
3	8/29/2005	9698 1710	\$241.65	1A001.c	IRANIAN AIR TRANSPORT CO
4	9/5/2005	IRAN AIR 38600	\$65,306.25	7A103.a	IRAN AIR
5	9/9/2005	IRAN AIR 38604	\$19,271.72	7A103.a	IRAN AIR
6	9/20/2005	IRAN AIR 38615	\$40,604.49	7A103.a	IRAN AIR
7	9/24/2005	IRAN AIR 38619	\$41,553.58	7A103.a	IRAN AIR
8	10/11/2005	IRAN AIR 38636	\$11,073.67	7A103.a, 1A001.c	IRAN AIR
9	10/18/2005	IRAN AIR 38643	\$41,832.94	7A103.a	IRAN AIR
10	11/19/2005	IRAN AIR 38675	\$21,664.80	7A103.a	IRAN AIR
11	11/30/2005	7499 6670	\$21.60	1A001.c	KISH AIRLINES
12	12/15/2005	IRAN AIR 38701	\$69,229.01	7A103.a	IRAN AIR
13	12/23/2005	IRAN AIR 38709	\$21,766.81	7A103.a	IRAN AIR
14	1/26/2006	IRAN AIR 38743	\$14,347.46	7A103.a	IRAN AIR
15	3/2/2006	IRAN AIR 38778	\$27,957.83	7A103.a	IRAN AIR
16	3/5/2006	IRAN AIR 38781	\$107,439.08	7A103.a	IRAN AIR
17	4/21/2006	IRAN AIR 38828	\$38,833.22	7A103.a	IRAN AIR
18	4/27/2006	IRAN AIR 38834	\$84,281.18	7A103.a	IRAN AIR
19	5/4/2006	IRAN AIR 38841	\$41,772.00	7A103.a	IRAN AIR
20	5/22/2006	IRAN AIR 38859	\$2,730.78	1A001.c	IRAN AIR
21	6/26/2006	569	\$42.12	1A001.c	IRAN AIR
22	7/25/2006	1206013112	\$31,738.50	7A103.a	IRAN AIR
23	8/2/2006	1389	\$31,738.50	7A103.a	IRAN AIR
24	8/16/2006	1703	\$18.90	1A001.c	IRAN ASEMAN AIRLINES
25	9/6/2006	2269	\$31,738.50	7A103.a	IRAN AIR

Schedule A Charges 1-88					
VIOLATION NUMBER	DATE	SHIPMENT NUMBER	VALUE	ECCN	END USER
26	9/19/2006	2552	\$3.65	1A001.c	KISH AIRLINES
27	9/27/2006	2788	\$38,934.00	7A103.a	IRAN AIR
28	10/17/2006	3325	\$32,706.99	7A103.a	IRAN AIR
29	10/31/2006	3727	\$31,738.50	7A103.a	IRAN AIR
30	11/23/2006	1206039965	\$35,059.50	7A103.a	IRAN AIR
31	1/8/2007	5604	\$36,136.46	9A991.d, 1A001.c	IRANIAN AIR TRANSPORT CO. (IATC)
32	1/9/2007	5659	\$24,154.83	1A001.c	IRAN AIR
33	1/12/2007	5752	\$70,706.25	7A103.a	IRAN ASEMAN AIRLINES
34	2/26/2007	6012	\$3,226.08	9A991.d, 1A001.c	KISH AIRLINES
35	3/26/2007	7890	\$3,915.36	9A991.d, 1A001.c	KISH AIRLINES
36	4/5/2007	8222	\$36,679.50	7A103.a	IRAN ASEMAN AIRLINES
37	5/1/2007	8939	\$3,348.35	9A991.d, 1A001.c	KISH AIRLINES
38	5/9/2007	9139	\$254,844.06	7A103.a, 9A991.d	IRAN AIR
39	8/2/2007	11527	\$85,036.50	7A103.a, 9A991.d	IRAN AIR
40	8/10/2007	11747	\$103,244.19	7A103.a, 9A991.d	IRAN ASEMAN AIRLINES
41	8/23/2007	1207053852	\$31,738.50	7A103.a	IRAN AIR
42	9/21/2007	13024	\$49,251.32	7A103.a, 9A991.d	IRAN AIR
43	10/16/2007	13754	\$61,885.36	7A103.a	IRAN AIR
44	12/14/2007	15846	\$37,434.93	7A103.a, 9A991.d	IRAN ASEMAN AIRLINES
45	12/14/2007	15847	\$52,420.50	7A103.a	IRAN ASEMAN AIRLINES
46	2/25/2008	17816	\$895.13	1A001.c	KISH AIRLINES
47	5/26/2008	20777	\$3,922.16	9A991.d, 1A001.c	KISH AIRLINES
48	6/6/2008	21211	\$32,486.56	7A103.a, 9A991.d	IRAN AIR
49	6/11/2008	21297	\$1,486.62	1A001.c	KISH AIRLINES
50	6/12/2008	21387	\$21.33	1A001.c	KISH AIRLINES
51	6/23/2008	21704	\$8,289.81	1A001.c	IRAN ASEMAN AIRLINES
52	7/3/2008	22055	\$48.60	1A001.c	IRAN AIR

Schedule A Charges 1-88					
VIOLATION NUMBER	DATE	SHIPMENT NUMBER	VALUE	ECCN	END USER
53	7/10/2008	22294	\$24,393.77	9A991.d, EAR99, 1A001.c	KISH AIRLINES
54	8/15/2008	23449	\$45,609.75	7A103.a	IRAN ASEMAN AIRLINES
55	8/20/2008	23654	\$5.40	1A001.c	KISH AIRLINES
56	8/27/2008	23848	\$2,768.36	1A001.c	KISH AIRLINES
57	9/16/2008	24540	\$33.75	1A001.c	ARIA AIR
58	10/1/2008	25015	\$109,086.75	7A103.a, 9A991.d	IRAN AIR
59	11/5/2008	26198	\$47,259.45	1A001.c	IRAN AIR
60	1/2/2009	1208085230	\$50.15	1A001.c	IRAN AIR
61	1/14/2009	28195	\$5,648.09	1A001.c	IRAN AIR
62	1/20/2009	28426	\$17,567.13	9A991.d, 7A994, 1A001.c	KISH AIRLINES
63	4/6/2009	30532	\$500,850.00	7A103.a, 7A994	IRANIAN AIR TRANSPORT CO. (IATC)
64	4/15/2009	30760	\$78,419.11	EAR99, 1A001.c, 9A991.d	IRANIAN AIR TRANSPORT CO. (IATC)
65	4/15/2009	30775	\$48,043.95	7A103.a, 9A991.d, 7A994	IRAN ASEMAN AIRLINES
66	5/13/2009	31417	\$2,230.07	1A001.c	KISH AIRLINES
67	5/15/2009	31461	\$31,729.05	1A001.c, 9A991.d, 7A994	IRAN ASEMAN AIRLINES
68	5/18/2009	1209028247	\$7,219.37	1A001.c, 9A991.d	KISH AIRLINES
69	5/26/2009	31687	\$112,344.89	9A991.d, 7A103.a	IRAN ASEMAN AIRLINES

Schedule A Charges 1-88					
VIOLATION NUMBER	DATE	SHIPMENT NUMBER	VALUE	ECCN	END USER
70	6/9/2009	31988	\$20,620.05	1A001.c, 9A991.d, 7A994	KISH AIRLINES
71	6/11/2009	32051	\$71,293.50	7A103.a	IRAN ASEMAN AIRLINES
72	7/13/2009	32699	\$80,360.25	9A991.d, 1A001.c	IRANIAN AIR TRANSPORT CO. (IATC)
73	7/15/2009	32753	\$75,139.46	7A103.a, 7A994	IRAN ASEMAN AIRLINES
74	8/20/2009	33632	\$159,540.79	7A103.a, 7A994, 9A991.d	IRAN ASEMAN AIRLINES
75	8/21/2009	33684	\$102,669.89	9A991.d, 1A001A, 1A001.c,	IRANIAN AIR TRANSPORT CO. (IATC)
76	8/28/2009	33855	\$8,868.72	9A991.d, 1A001.c	KISH AIRLINES
77	9/28/2009	34499	\$34,256.83	9A991.d, 7A994, 1A001.c	KISH AIRLINES
78	10/8/2009	34777	\$75,471.75	9A991.d, 7A103.a	IRAN ASEMAN AIRLINES
79	10/15/2009	34932	\$140,396.88	9A991.d, 9A991.e, 7A994, 1A001.c, EAR99	IRAN ASEMAN AIRLINES
80	10/28/2009	35224	\$55,407.08	7A103.a, 6A998A, 9A991.d	IRAN ASEMAN AIRLINES
81	11/9/2009	35522	\$209.52	1A001.c, 9A991.d	IRAN AIR
82	11/11/2009	35612	\$6,808.05	9A991.d, 1A001.c	IRAN AIR
83	11/26/2009	35934	\$25,392.97	9A991.d, 1A001.c	ARIA AIR

Schedule A Charges 1-88					
VIOLATION NUMBER	DATE	SHIPMENT NUMBER	VALUE	ECCN	END USER
84	1/22/2010	37337	\$150,307.14	9A991.e, 7A103.a, 7A994, 9A991.d	IRAN ASEMAN AIRLINES
85	2/5/2010	37660	\$40,389.49	7A994, 9A991.d, 1A001.c	KISH AIRLINES
86	3/11/2010	38596	\$45,663.99	9A991.d, 7A994, 1A001.c	KISH AIRLINES
87	4/15/2010	39539	\$333,139.97	7A103.a, 7A994, 9A991.d, EAR99	IRAN ASEMAN AIRLINES
88	4/16/2010	39613	\$91,821.91	7A103.a, 7A994, 9A991.d	IRAN ASEMAN AIRLINES

\$4,422,089.30

Schedule B Charges 89-98					
VIOLATION NUMBER	DATE	SHIPMENT NUMBER	VALUE	ECCN	END USER
89	11/17/2006	4290	\$3,221.78	7A994	ANA TRADING CO LTD
90	2/7/2007	1206046777	\$37,053.45	9A991.d	IRAN AIRCRAFT INDUSTRIES (IACI) CO
91	6/20/2007	10346	\$24,242.44	9A991.d	ANA TRADING CO LTD
92	6/27/2007	1207041283	\$10,829.43	9A991.d	ANA TRADING CO LTD
93	7/18/2007	11116	\$35,247.80	9A991.d	ANA TRADING CO LTD
94	7/31/2007	1207020942	\$9,787.50	9A991.d	ANA TRADING CO LTD
95	9/5/2007	12495	\$179,027.58	9A991.d	ANA TRADING CO LTD
96	11/22/2007	15001	\$28,164.62	9A991.d	ANA TRADING CO LTD
97	12/21/2007	16015	\$552.61	9A991.d	ANA TRADING CO LTD
98	2/12/2008	17322	\$77,307.75	9A991.d	ANA TRADING CO LTD

\$405,434.94

Schedule C Charges 99-144					
VIOLATION NUMBER	DATE	SHIPMENT NUMBER	VALUE	ECCN	END USER
99	3/3/2010	38491	\$50,208.85	7A994, 9A991.d	IRANIAN AIR TRANSPORT CO. (IATC)
100	2/26/2010	38273	\$122,652.37	7A994, 9A991.d	IRANIAN AIR TRANSPORT CO. (IATC)
101	2/12/2010	37872	\$121,500.00	7A994	IRAN AIR
102	2/2/2010	37612	\$101,587.50	7A994	IRAN AIR
103	1/7/2010	36977	\$125,981.92	7A994, 9A991.d	IRAN ASEMAN AIRLINES
104	1/6/2010	36964	\$135,060.40	7A994, 9A991.d, 9A991.e	IRANIAN AIR TRANSPORT CO. (IATC)
105	1/6/2010	36962	\$90,388.16	7A994, 9A991.d	IRAN ASEMAN AIRLINES
106	1/4/2010	36897	\$78,742.65	7A994, 9A991.d	KISH AIRLINES
107	1/4/2010	36891	\$151,087.15	9A991.d, 7A994, 9A991.e	KISH AIRLINES
108	12/29/2009	36799	\$195,615.00	9A991.d	IRAN ASEMAN AIRLINES
109	12/23/2009	36731	\$118,321.07	9A991.d, 7A994	IRAN ASEMAN AIRLINES
110	12/23/2009	36700	\$75,253.10	9A991.d, 7A994	IRAN ASEMAN AIRLINES
111	12/21/2009	36665	\$54,035.79	9A991.d, 7A994	IATC IRANIAN AIR TRANSPORT CO.
112	11/27/2009	36058	\$98,947.20	9A991.d	IRAN AIR
113	11/24/2009	35951	\$64,371.05	9A991.d	IRAN ASEMAN AIRLINES
114	11/11/2009	35605	\$215,257.08	9A991.d, 7A994	KISH AIRLINES
115	11/10/2009	1209062198	\$195,615.00	9A991.d	IRAN ASEMAN AIRLINES

Schedule C Charges 99-144					
VIOLATION NUMBER	DATE	SHIPMENT NUMBER	VALUE	ECCN	END USER
116	11/6/2009	35476	\$110,586.29	7A994, 9A991.d, 6A998A	IRAN ASEMAN AIRLINES
117	10/13/2009	34867	\$216,996.64	9A991.d, 7A994	IRANIAN AIR TRANSPORT CO. (IATC)
118	9/30/2009	34573	\$163,244.28	9A991.d, 9A991.e, 7A994	IRANIAN AIR TRANSPORT CO. (IATC)
119	9/18/2009	34306	\$51,049.55	9A991.d, 7A994	IRANIAN AIR TRANSPORT CO. (IATC)
120	9/15/2009	34204	\$59,483.24	7A994, 9A991.d, 6A998A	IRAN ASEMAN AIRLINES
121	9/3/2009	33968	\$53,786.05	9A991.d	IRAN ASEMAN AIRLINES
122	8/28/2009	33845	\$51,016.12	7A994, 9A991.d	IRAN ASEMAN AIRLINES
123	8/24/2009	33711	\$51,436.73	9A991.d, 7A994	IRAN ASEMAN AIRLINES
124	7/15/2009	32771	\$118,955.02	9A991.d, 7A994	IRAN AIR
125	7/6/2009	32572	\$107,784.11	7A994, 9A991.d	IRANIAN AIR TRANSPORT CO. (IATC)
126	6/19/2009	32219	\$119,409.05	9A991.d	IRAN ASEMAN AIRLINES
127	6/15/2009	32129	\$121,919.97	9A991.d, 7A994	IRAN AIR
128	6/12/2009	32072	\$134,561.93	9A991.d, 7A994	IRAN AIR
129	6/5/2009	31925	\$55,310.54	6A998A, 9A991.d	IRAN ASEMAN AIRLINES
130	6/4/2009	31885	\$75,849.87	9A991.d	KISH AIRLINES

Schedule C Charges 99-144					
VIOLATION NUMBER	DATE	SHIPMENT NUMBER	VALUE	ECCN	END USER
131	5/20/2009	31595	\$89,218.61	9A991.d, 7A994	IRAN ASEMAN AIRLINES
132	5/8/2009	1209026030	\$118,260.00	9A991.d	IRANIAN AIR TRANSPORT CO. (IATC)
133	4/29/2009	31093	\$117,052.02	9A991.d, 7A994	IRAN ASEMAN AIRLINES
134	4/22/2009	30927	\$84,607.45	9A991.d	IRANIAN AIR TRANSPORT CO. (IATC)
135	4/17/2009	30802	\$74,526.52	9A991.d, 7A994	IRAN AIR
136	4/14/2009	30734	\$104,039.33	9A991.d	IRAN ASEMAN AIRLINES
137	4/14/2009	30586	\$61,395.57	9A991.d	IRAN AIR
138	4/8/2009	1209021250	\$50,625.00	9A991.d	IRAN ASEMAN AIRLINES
139	4/3/2009	30435	\$114,245.34	9A991.d, 7A994	IRAN ASEMAN AIRLINES
140	4/2/2009	30411	\$69,086.32	9A991.d, 7A994	IRAN ASEMAN AIRLINES
141	3/25/2009	30231	\$100,237.04	7A994, 9A991.d, 6A998A	IRAN ASEMAN AIRLINES
142	3/23/2009	30152	\$139,887.73	9A991.d, 7A994	IRAN ASEMAN AIRLINES
143	3/5/2009	1208084645	\$54,289.85	7A994	IRAN ASEMAN AIRLINES
144	1/23/2009	28559	\$83,025.00	7A994	IRANIAN AIR TRANSPORT CO. (IATC)

\$4,746,509.46

Schedule D					
Charges 145-240					
VIOLATION NUMBER	DATE	SHIPMENT NUMBER	VALUE	ECCN	END USER
145	5/29/2009	31776	\$259.34	9A991.e	IRAN AIR
146	5/28/2009	31744	\$4,811.45	9A991.d	IRAN AIR
147	5/20/2009	31596	\$0.00	9A991.d	IRAN AIR
148	5/19/2009	31548	\$7,516.48	9A991.d	IRAN AIR
149	5/18/2009	31520	\$7,099.65	9A991.d	IRAN AIR
150	5/9/2009	1209026576	\$12,210.75	9A991.d	IRAN AIR
151	5/8/2009	31310	\$42,617.04	9A991.d	IRAN AIR
152	5/7/2009	1209026407	\$2,099.25	9A991.d	IRAN AIR
153	5/7/2009	31254	\$4,502.76	9A991.d	IRAN AIR
154	5/6/2009	1209026145	\$4,019.84	7A994	IRAN AIR
155	5/5/2009	1209025629	\$2,408.40	7A994	IRAN AIR
156	5/5/2009	31195	\$5,413.07	9A991.d	IRAN AIR
157	4/29/2009	31091	\$1,079.93	7A994	IRAN AIR
158	4/28/2009	31051	\$3,153.74	9A991.e	IRAN AIR
159	4/27/2009	1209024527	\$1,339.74	9A991.d	IRAN AIR
160	4/22/2009	30934	\$4,240.04	9A991.d	IRAN AIR
161	4/21/2009	30910	\$9,124.54	9A991.d	IRAN AIR
162	4/20/2009	30873	\$2,342.25	9A991.d	IRAN AIR
163	4/17/2009	1209022986	\$1,722.11	9A991.d	IRAN AIR
164	4/17/2009	30802	\$74,526.52	9A991.d, 7A994	IRAN AIR
165	4/15/2009	30779	\$17,814.33	9A991.d	IRAN AIR
166	4/15/2009	30761	\$3,822.28	9A991.d	IRAN AIR
167	4/14/2009	30586	\$61,395.57	9A991.d	IRAN AIR
168	4/6/2009	30542	\$14,970.26	9A991.d, 7A994	IRAN AIR
169	3/31/2009	30387	\$409.00	9A991.d	IRAN AIR
170	3/27/2009	1209017921	\$8,174.25	9A991.d	IRAN AIR
171	3/26/2009	1209018474	\$926.21	7A994	IRAN AIR
172	3/25/2009	30232	\$4,753.17	9A991.d, 7A994	IRAN AIR
173	3/24/2009	1209017903	\$1,406.70	9A991.d	IRAN AIR
174	3/23/2009	30156	\$2,938.75	9A991.d	IRAN AIR
175	3/23/2009	30148	\$3,255.96	9A991.d	IRAN AIR
176	3/19/2009	30084	\$14,096.48	9A991.d, 7A994	IRAN AIR
177	3/16/2009	29984	\$16,002.71	7A994	IRAN AIR
178	3/13/2009	29936	\$8,667.00	9A991.d	IRAN AIR
179	3/11/2009	29867	\$1,744.85	6A998.a	IRAN AIR
180	3/11/2009	29867	\$1,296.69	7A994	IRAN AIR
181	3/10/2009	29811	\$520.16	9A991.d	IRAN AIR

Schedule D Charges 145-240					
VIOLATION NUMBER	DATE	SHIPMENT NUMBER	VALUE	ECCN	END USER
182	3/9/2009	29799	\$61,854.84	9A991.d	IRAN AIR
183	3/6/2009	29747	\$1,609.38	9A991.d	IRAN AIR
184	3/5/2009	29715	\$7,465.91	9A991.d	IRAN AIR
185	3/4/2009	1209013627	\$4,699.49	9A991.d	IRAN AIR
186	3/3/2009	29636	\$4,106.84	9A991.d	IRAN AIR
187	3/3/2009	1209013464	\$2,502.63	7A994	IRAN AIR
188	3/3/2009	1209013459	\$2,502.63	7A994	IRAN AIR
189	2/27/2009	29543	\$10,224.90	9A991.d	IRAN AIR
190	2/26/2009	1209011697	\$2,214.70	9A991.d	IRAN AIR
191	2/23/2009	29423	\$3,032.24	9A991.d	IRAN AIR
192	2/20/2009	29366	\$604.46	9A991.d	IRAN AIR
193	2/18/2009	29296	\$561.14	9A991.d	IRAN AIR
194	2/18/2009	1209009788	\$16,799.40	9A991.e	IRAN AIR
195	2/16/2009	29226	\$168.75	9A991.d	IRAN AIR
196	2/13/2009	29170	\$2,342.05	9A991.d	IRAN AIR
197	2/12/2009	29138	\$1,304.67	9A991.d	IRAN AIR
198	2/11/2009	1209008947	\$256.50	9A991.d	IRAN AIR
199	2/11/2009	29097	\$30,346.46	7A994, 9A991.d	IRAN AIR
200	2/9/2009	29014	\$972.00	9A991.d	IRAN AIR
201	2/5/2009	28935	\$42,851.46	9A991.d	IRAN AIR
202	2/4/2009	28898	\$368.33	9A991.d	IRAN AIR
203	2/3/2009	28846	\$25,380.68	9A991.d	IRAN AIR
204	2/2/2009	28802	\$6,991.64	9A991.d	IRAN AIR
205	1/23/2009	28564	\$145.34	9A991.d	IRAN AIR
206	1/22/2009	28504	\$6,399.95	9A991.d	IRAN AIR
207	1/21/2009	28481	\$6,344.76	9A991.d	IRAN AIR
208	1/20/2009	1209001320	\$0.01	9A991.d	IRAN AIR
209	1/16/2009	28317	\$5,882.10	9A991.d, 7A994	IRAN AIR
210	1/14/2009	28195	\$5,648.09	1A001.c	IRAN AIR
211	1/2/2009	1208085230	\$50.15	1A001.c	IRAN AIR
212	12/24/2008	27841	\$6,257.25	9A991.d	IRAN AIR
213	12/24/2008	27822	\$17,142.89	9A991.d	IRAN AIR
214	12/12/2008	27461	\$8,417.25	9A991.d	IRAN AIR
215	12/5/2008	27237	\$8,667.00	9A991.d	IRAN AIR
216	11/28/2008	27010	\$131.63	9A991.d	IRAN AIR
217	11/18/2008	1208076280	\$1,434.24	9A991.e	IRAN AIR

Schedule D					
Charges 145-240					
VIOLATION NUMBER	DATE	SHIPMENT NUMBER	VALUE	ECCN	END USER
218	11/5/2008	26198	\$47,259.45	1A001.c	IRAN AIR
219	10/27/2008	25892	\$6,312.41	9A991.d	IRAN AIR
220	10/13/2008	25410	\$3,078.00	7A994	IRAN AIR
221	10/9/2008	25364	\$1,591.65	9A991.d	IRAN AIR
222	10/6/2008	25201	\$16,046.37	9A991.d	IRAN AIR
223	10/3/2008	25138	\$23,287.50	9A991.d	IRAN AIR
224	10/1/2008	25052	\$1,633.50	9A991.d	IRAN AIR
225	10/1/2008	25015	\$109,086.75	7A103.a, 9A991.d	IRAN AIR
226	9/12/2008	24439	\$7,938.70	9A992.d	IRAN AIR
227	9/8/2008	24220	\$15,876.00	9A991.d	IRAN AIR
228	9/5/2008	24191	\$5,411.25	9A991.d	IRAN AIR
229	8/27/2008	23870	\$1,740.15	9A991.d	IRAN AIR
230	8/25/2008	1208057233	\$135.68	9A991.d	IRAN AIR
231	8/20/2008	23616	\$1,201.50	7A994	IRAN AIR
232	8/15/2008	23420	\$20,628.00	9A991.d	IRAN AIR
233	8/11/2008	23343	\$55,426.76	9A991.d	IRAN AIR
234	8/1/2008	23022	\$1,011.15	9A991.d	IRAN AIR
235	7/30/2008	22955	\$1,687.68	9A991.d	IRAN AIR
236	7/28/2008	22871	\$6,831.00	9A991.d	IRAN AIR
237	7/22/2008	22689	\$15,876.00	9A991.d	IRAN AIR
238	7/3/2008	22055	\$48.60	1A001.c	IRAN AIR
239	6/25/2008	21796	\$986.39	9A991.d	IRAN AIR
240	6/18/2008	21570	\$7,683.50	9A991.d	IRAN AIR

\$999,140.97

Schedule E					
Charges 241-253					
VIOLATION NUMBER	DATE	SHIPMENT NUMBER	VALUE	ECCN	END USER
241	07/24/06	1198	\$1,911.60	9A991.d	SUDAN AIRWAYS
242	03/29/07	1207020188	\$3,652.33	1A001.c, 9A991.d	SUDAN AIRWAYS
243	08/16/07	1207052515	\$884.25	9A991.d	MID AIRLINES
244	03/10/08	18240	\$3,206.25	1A001.c, 9A991.d	MID AIRLINES
245	04/10/08	19330	\$8,800.52	9A991.d	SUDAN AIRWAYS
246	05/23/08	20710	\$53,252.10	9A991.d, 7A994	SUDAN AIRWAYS
247	09/01/08	23997	\$11,819.25	9A991.d, 7A994	SUDAN AIRWAYS
248	11/07/08	26223	\$67,519.58	1A001.c, 7A994, 9A991.d	SUDAN AIRWAYS
249	02/20/09	29364	\$114.75	1A001.c	SUDAN AIRWAYS
250	01/29/10	37519	\$2.70	1A001.c	SUDAN AIRWAYS
251	06/09/10	40836	\$258.24	1A001.c	SUDAN AIRWAYS
252	07/09/10	41523	\$932.18	1A001.c, 9A991.d	MID AIRLINES
253	09/01/10	42784	\$27.14	9A991.d	MID AIRLINES

\$152,380.89