

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

In the Matter of:

Littelfuse, Inc.
800 E. Northwest Highway
Des Plaines, IL 60016

Respondent

ORDER RELATING TO
LITTELFUSE, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Littelfuse, Inc., of Des Plaines, Illinois (“Littelfuse”), of its intention to initiate an administrative proceeding against Littelfuse 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 Littelfuse that alleges that Littelfuse committed 37 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 (2012). The charged violations occurred in 2006-2008. The Regulations governing the violations at issue are found in the 2006-2008 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2012 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 15, 2012 (77 Fed. Reg. 49699 (Aug. 16, 2012)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

Charges 1 – 37 15 C.F.R. § 764.2(a): Unlicensed Exports of an Item Controlled for National Security Reasons

On 37 occasions between on or about February 10, 2006, and on or about January 3, 2008, Littelfuse engaged in conduct prohibited by the Regulations. Specifically, Littelfuse exported liquid crystal polymer, an item classified under Export Classification Control Number (ECCN) 1C008.b and controlled for national security reasons, to the Philippines without the Department of Commerce licenses required by Section 742.4(a) of the Regulations. In so doing, Littelfuse committed 37 violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS and Littelfuse 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; and

WHEREAS, I have approved of the terms of such Settlement Agreement;
IT IS THEREFORE ORDERED:

FIRST, Littelfuse shall be assessed a civil penalty in the amount of \$180,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of this Order.

SECOND, that, 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, Littelfuse 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.

THIRD, that the full and timely payment of the civil penalty in accordance with the payment schedule set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or

privilege granted, or to be granted, to Littelfuse. Accordingly, if Littelfuse should fail to pay the civil penalty in a full and timely manner, the undersigned may issue an order denying all of Littelfuse's export privileges under the Regulations for a period of one year from the date of failure to make such payment.

FOURTH, that 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.



David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Issued this 23rd day of October, 2012.

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

In the Matter of:

Littelfuse, Inc.
800 E. Northwest Highway
Des Plaines, IL 60016

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Littelfuse, Inc., of Des Plaines, Illinois (“Littelfuse”), 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, Littelfuse filed a voluntary self-disclosure with BIS’s Office of Export Enforcement in accordance with Section 764.5 of the Regulations concerning the transactions at issue herein;

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

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2012). The charged violations occurred in 2006-2008. The Regulations governing the violations at issue are found in the 2006-2008 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2012 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 15, 2012 (77 Fed. Reg. 49699 (Aug. 16, 2012)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

WHEREAS, BIS has issued a Proposed Charging Letter to Littelfuse that alleges that Littelfuse committed 37 violations of the Regulations, specifically:

Charges 1 – 37 15 C.F.R. § 764.2(a): Unlicensed Exports of an Item Controlled for National Security Reasons

On 37 occasions between on or about February 10, 2006, and on or about January 3, 2008, Littelfuse engaged in conduct prohibited by the Regulations. Specifically, Littelfuse exported liquid crystal polymer, an item classified under Export Classification Control Number (ECCN) 1C008.b and controlled for national security reasons, to the Philippines without the Department of Commerce licenses required by Section 742.4(a) of the Regulations. In so doing, Littelfuse committed 37 violations of Section 764.2(a) of the Regulations.

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

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

WHEREAS, Littelfuse neither admits nor denies the allegations contained in the Proposed Charging Letter;

WHEREAS, Littelfuse wishes to settle and dispose of all matters alleged in the Proposed Charging Letter by entering into this Agreement; and

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

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

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

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

a. Littelfuse shall be assessed a civil penalty in the amount of \$180,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of the Order. Payment shall be made in the manner specified in the attached instructions.

b. The full and timely payment of the civil penalty agreed to in Paragraph 2.a is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Littelfuse. Failure to make full and timely payment of the civil penalty may result in the denial of all of Littelfuse's export privileges under the Regulations for one year from the date of the failure to make such payment.

3. Subject to the approval of this Agreement pursuant to Paragraph 7 hereof, Littelfuse hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if issued), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any 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 Order, if issued. Littelfuse also 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 date Littelfuse pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement.

4. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a, BIS will not initiate any further administrative proceeding against Littelfuse in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

5. 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.

6. 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.

7. 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.

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

9. 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

LITTELFUSE, INC.



Ryan K. Stafford
General Counsel and
Vice President, Human Resources

Date: 10/21/2012

Date: 10/17/2012

Reviewed and approved by:



Mel Schwechter, Esq.
Baker & Hostetler, LLP
Counsel for Littelfuse, Inc.

Date: 10/18/12

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Littelfuse, Inc.
800 E. Northwest Highway
Des Plaines, IL 60016

Attention: *Gordon Hunter*
Chairman, President and Chief Executive Officer

Dear Mr. Hunter:

The Bureau of Industry and Security, U. S. Department of Commerce (“BIS”), has reason to believe that Littelfuse, Inc. (“Littelfuse”), of Des Plaines, Illinois, has committed 37 violations of the Export Administration Regulations (the “Regulations”),¹ which issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS charges that Littelfuse committed the following violations:

Charges 1 – 37 15 C.F.R. § 764.2(a): Unlicensed Exports of an Item Controlled for National Security Reasons

As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on 37 occasions between on or about February 10, 2006, and on or about January 3, 2008, Littelfuse engaged in conduct prohibited by the Regulations. Specifically, Littelfuse exported liquid crystal polymer, an item classified under Export Classification Control Number (ECCN) 1C008.b and controlled for national security reasons, to the Philippines without the Department of Commerce licenses required by Section 742.4(a) of the Regulations. In so doing, Littelfuse committed 37 violations of Section 764.2(a) of the Regulations.

Accordingly, Littelfuse is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The violations charged occurred between 2006 and 2008. The Regulations governing the violations at issue are found in the 2006-2008 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2006-2008)). The 2011 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 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 12, 2010 (75 Fed. Reg. 50681 (Aug. 16, 2010)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701, *et seq.*) (“IEEPA”).

- 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;³
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If Littelfuse 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. If Littelfuse defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Littelfuse. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

Littelfuse 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. Littelfuse is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. *See* 15 C.F.R. §§ 766.3(a) and 766.4.

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

Littelfuse is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Littelfuse 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 U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Littelfuse'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

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

Chief Counsel for Industry and Security
Attention: Adrienne Frazier, Esq.
Room H-3839
United States Department of Commerce

³ International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

Littelfuse, Inc.
Proposed Charging Letter
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14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Adrienne Frazier is the attorney representing BIS in this case; any communications that Littelfuse may wish to have concerning this matter should occur through her. Ms. Frazier may be contacted by telephone at (202) 482-5301.

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement

Littelfuse Schedule of Violations

| CHARGES | VIOLATION | DATE OF EXPORT TO PHILIPPINES | QUANTITY (lbs) | COMMODITY | VALUE |
|---------|-----------|-------------------------------|----------------|------------------------|-------------|
| 1 | 764.2(a) | 10-Feb-06 | 220 | liquid crystal polymer | \$2,729.11 |
| 2 | 764.2(a) | 10-Mar-06 | 220 | liquid crystal polymer | \$3,011.32 |
| 3 | 764.2(a) | 24-Mar-06 | 220 | liquid crystal polymer | \$268.18 |
| 4 | 764.2(a) | 13-Apr-06 | 220 | liquid crystal polymer | \$11,871.58 |
| 5 | 764.2(a) | 12-May-06 | 220 | liquid crystal polymer | \$716.45 |
| 6 | 764.2(a) | 2-Jun-06 | 220 | liquid crystal polymer | \$585.52 |
| 7 | 764.2(a) | 23-Jun-06 | 220 | liquid crystal polymer | \$12,160.37 |
| 8 | 764.2(a) | 7-Jul-06 | 220 | liquid crystal polymer | \$682.28 |
| 9 | 764.2(a) | 28-Jul-06 | 110 | liquid crystal polymer | \$610.49 |
| 10 | 764.2(a) | 4-Aug-06 | 112 | liquid crystal polymer | \$4,401.16 |
| 11 | 764.2(a) | 23-Sep-06 | 220 | liquid crystal polymer | \$676.33 |
| 12 | 764.2(a) | 10-Nov-06 | 220 | liquid crystal polymer | \$4,259.83 |
| 13 | 764.2(a) | 20-Dec-06 | 220 | liquid crystal polymer | \$4,069.32 |
| 14 | 764.2(a) | 29-Dec-06 | 220 | liquid crystal polymer | \$2,046.85 |
| 15 | 764.2(a) | 5-Jan-07 | 220 | liquid crystal polymer | \$3,082.62 |
| 16 | 764.2(a) | 2-Mar-07 | 110 | liquid crystal polymer | \$1,364.56 |
| 17 | 764.2(a) | 19-Mar-07 | 220 | liquid crystal polymer | \$1,364.56 |
| 18 | 764.2(a) | 23-Mar-07 | 110 | liquid crystal polymer | \$8,106.93 |
| 19 | 764.2(a) | 30-Mar-07 | 440 | liquid crystal polymer | \$1,715.07 |

Littelfuse Schedule of Violations

| CHARGES | VIOLATION | DATE OF EXPORT TO PHILIPPINES | QUANTITY (lbs) | COMMODITY | VALUE |
|--------------------|-----------|-------------------------------|----------------|------------------------|--------------------|
| 20 | 764.2(a) | 20-Apr-07 | 220 | liquid crystal polymer | \$2,373.13 |
| 21 | 764.2(a) | 18-Jun-07 | 110 | liquid crystal polymer | \$1,186.57 |
| 22 | 764.2(a) | 22-Jun-07 | 165 | liquid crystal polymer | \$1,779.86 |
| 23 | 764.2(a) | 5-Jul-07 | 110 | liquid crystal polymer | \$1,186.57 |
| 24 | 764.2(a) | 12-Jul-07 | 110 | liquid crystal polymer | \$1,186.57 |
| 25 | 764.2(a) | 26-Jul-07 | 110 | liquid crystal polymer | \$1,186.57 |
| 26 | 764.2(a) | 9-Aug-07 | 55 | liquid crystal polymer | \$593.29 |
| 27 | 764.2(a) | 23-Aug-07 | 55 | liquid crystal polymer | \$593.29 |
| 28 | 764.2(a) | 5-Sep-07 | 165 | liquid crystal polymer | \$1,779.86 |
| 29 | 764.2(a) | 14-Sep-07 | 165 | liquid crystal polymer | \$1,779.86 |
| 30 | 764.2(a) | 20-Sep-07 | 110 | liquid crystal polymer | \$1,186.57 |
| 31 | 764.2(a) | 27-Sep-07 | 165 | liquid crystal polymer | \$1,779.87 |
| 32 | 764.2(a) | 11-Oct-07 | 110 | liquid crystal polymer | \$1,186.57 |
| 33 | 764.2(a) | 18-Oct-07 | 110 | liquid crystal polymer | \$1,186.57 |
| 34 | 764.2(a) | 30-Oct-07 | 110 | liquid crystal polymer | \$1,186.57 |
| 35 | 764.2(a) | 27-Nov-07 | 330 | liquid crystal polymer | \$3,559.73 |
| 36 | 764.2(a) | 19-Dec-07 | 110 | liquid crystal polymer | \$800.00 |
| 37 | 764.2(a) | 3-Jan-08 | 441 | liquid crystal polymer | \$1,763.98 |
| Total Value | | | | | \$90,017.96 |