

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

In the Matter of:

Amplifier Research Corporation
160 School House Road
Souderton, PA 18964

Respondent

ORDER RELATING TO
AMPLIFIER RESEARCH CORPORATION

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Amplifier Research Corporation of Souderton, Pennsylvania (“AR”), of its intention to initiate an administrative proceeding against AR 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 AR that alleges that AR committed 51 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 (2013). The charged violations occurred in 2008-2011. The Regulations governing the violations at issue are found in the 2008-2011 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 1-50 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting U.S.-Origin Amplifiers Controlled for National Security Reasons to the People's Republic of China, India, Russia, Hong Kong, Singapore, Malaysia, Taiwan, Korea, and Thailand Without the Required Export Licenses

On 50 occasions between or about January 11, 2008 and on or about June 28, 2011, AR engaged in conduct prohibited by the Regulations by exporting U.S.-origin amplifiers from the U.S. to end users in the People's Republic of China ("PRC"), India, Russia, Hong Kong, Singapore, Malaysia, Taiwan, Korea, and Thailand without the licenses required pursuant to Section 742.4 of the Regulations. These items were subject to the Regulations, classified under Export Control Classification Number ("ECCN") 3A001, controlled for National Security reasons, and valued at a total of \$2.98 million. The shipments were made either as direct exports to the intended destination or as exports that transshipped through a second country. Pursuant to Section 734.2(b)(6) of the Regulations, the export of items subject to the Regulations that will transship through a country to a new country or are intended for reexport to the new country, is deemed to be an export to the new country.

These unlicensed exports occurred at least in part as a result of AR's failure to maintain adequate oversight over its export coordinator. The export coordinator, who simultaneously served as AR's shipping manager during the relevant time period, was responsible for determining whether the amplifiers required export licenses from BIS to the various destinations and for obtaining any such licenses. He was also charged with obtaining any necessary licenses from the State Department's Directorate of Defense Trade Controls ("DDTC") and served as the company's Empowered Official for purposes of compliance with the International Traffic in Arms Regulations.³ Between August 2006 and June 2011, AR obtained only 5 export licenses from BIS for items controlled under ECCN 3A001 and made the 50 unlicensed exports described herein. In a January 9, 2012 interview conducted by BIS's Office of Export Enforcement, the export coordinator admitted that he had routinely approved items for export on the basis of license applications AR had submitted to BIS, including applications that were returned without action for failure to include necessary information, rather than waiting to receive any required export licenses. Until he was removed from his position in June 2011, the export coordinator was the sole AR employee who had access to SNAP-R, BIS's electronic license application system, and to DTrade, DDTC's electronic license application system. AR did not perform any internal or external audits of its export control compliance procedures during the time period that the transactions described herein occurred.

In so doing, AR committed 50 violations of Section 764.2(a) of the Regulations.

³ See 22 C.F.R. 120.25 (2013).

Charge 51 **15 C.F.R. § 764.2(e): Acting With Knowledge**

In connection with Charges 1-50 described herein, AR sold items subject to the EAR with knowledge that violations of the Regulations would occur. Specifically, AR sold amplifiers classified under ECCN 3A001, controlled for National Security reasons, and valued at a total of \$2.98 million, to the PRC, India, Russia, Hong Kong, Singapore, Malaysia, Taiwan, Korea, and Thailand without the licenses required pursuant to Section 742.4 of the Regulations. In light of its contemporaneous experience with applying for and receiving licenses and commodity classifications for items classified under ECCN 3A001, as well its licensing history with the Department of Commerce, AR knew or had reason to know that export licenses were required for the exports described in Charges 1-50 herein. Moreover, in connection with certain charges, AR took actions to conceal or falsify the items' classification and other licensing-related information, conduct that demonstrates that AR knew or had reason to know of the applicable export licensing requirements.

AR had a licensing history with the Department of Commerce for items subject to the Regulations beginning in August 1999. The company applied for licenses for amplifiers classified under ECCN 3A001 at least as early as July 2004, when it applied for a license to export such amplifiers to the PRC. In February 2005, AR received a license from the Department of Commerce to export amplifiers classified under ECCN 3A001 to Brazil. Notably, during the time period in which AR made the 50 unlicensed transactions described in Charges 1-50 herein, it applied for and received five licenses to export amplifiers classified under ECCN 3A001 to the PRC, Taiwan, India, and Ethiopia. These five licenses covered model numbers of amplifiers that AR exported without the required licenses on several occasions, including in connection with Charges 2, 4, 8, 31, 32, and 37. Additionally, AR submitted 82 requests for commodity classifications to the Department of Commerce between September 2002 and January 2007. It submitted 53 of these requests during the period in which it committed the violations described in Charges 1-50 herein.

On the shipping invoices associated with exports described in Charges 17, 18, and 22, AR, through its export coordinator, added handwritten statements indicating that the items were designated EAR99 and "NLR" [No License Required]. AR's export coordinator initialed these statements by hand or provided his full signature. On the invoice for Charge 17, AR's export coordinator also typed in a false license number, "CCC0005." On the invoice for Charge 18, AR's export coordinator crossed out the correct export classification of ECCN 3A001 and the words "License #" and wrote in "EAR99." These handwritten and typed statements were false, as the items were classified under ECCN 3A001 and controlled for National Security reasons and required licenses from BIS for export to the PRC and India pursuant to Section 742.4 of the Regulations.

Furthermore, on seven occasions in connection with Charges 29, 30, 33, 38, 41, 44, and 45, AR, through its export coordinator, redacted licensing classification, end use, and end user information from the shipping invoices. AR's export coordinator removed these

items of information from the section of each invoice where they initially appeared, leaving blank spaces. At the bottom of some of these invoices, AR's export coordinator also handwrote his name and "EAR99 NLR [No License Required]." The items exported were classified under ECCN 3A001 and controlled for National Security reasons. As such, they required licenses from BIS for export pursuant to Section 742.4 of the Regulations.

In so doing, AR committed one violation of Section 764.2(e) of the Regulations.

WHEREAS, BIS and AR 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, AR shall be assessed a civil penalty in the amount of \$500,000, all of which shall be suspended for a period of two years from the date of this Order, and thereafter shall be waived, provided that during this two-year probationary period under this Order, AR has committed no violation of the Act, or any regulation, order, license, or authorization issued thereunder. If AR commits a violation of the Act or any regulation, order, license, or authorization issued thereunder, during the probationary period under this Order, the suspension of the civil penalty may be modified or revoked by BIS and the \$500,000 made due and owing immediately.

SECOND, AR shall complete an external audit of its export controls compliance program. AR shall hire an unaffiliated third party consultant with expertise in U.S. export control laws to conduct the external audit of its compliance with U.S. export control laws (including recordkeeping requirements), with respect to all exports or reexports that are subject to the Regulations. The results of the audit, including any relevant supporting materials, shall be submitted to the Department of Commerce,

Bureau of Industry and Security, Office of Export Enforcement, 1200 South Avenue, Suite 104, Staten Island, NY 10314 (“BIS New York Field Office”). The audit shall cover the 12-month period beginning on the date of the Order, and the related report shall be due to the BIS New York Field Office no later than fifteen (15) months from the date of the Order. Said audit shall be in substantial compliance with the EMS sample audit module, and shall include an assessment of AR’s compliance with the Regulations. The EMS sample audit module is available on the BIS web site at http://www.bis.doc.gov/complianceand enforcement/ revised_emcp_audit.pdf. In addition, where said audit identifies actual or potential violations of the Regulations, AR must promptly provide copies of the pertinent air waybills and other export control documents and supporting documentation to the BIS New York Field Office.

THIRD, the completion of the audit and submission of the audit results as 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 AR. Accordingly, if AR should fail to complete the audit and submit the audit results, the undersigned may issue an order denying all of AR’s export privileges under the Regulations for a period of one year from the date of the failure to submit the audit results.

FOURTH, AR 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 AR’s 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.



David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Issued this 27 day of December, 2013.

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

In the Matter of:

Amplifier Research Corporation
160 School House Road
Souderton, PA 18964

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Amplifier Research Corporation of Souderton, Pennsylvania (“AR”), 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, AR 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;

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WHEREAS, BIS has taken into consideration the extraordinary cooperation AR has provided in connection with an export control criminal investigation;

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

WHEREAS, BIS has issued a Proposed Charging Letter to AR that alleges that AR committed 51 violations of the Regulations, specifically:

Charges 1-50 **15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting U.S.-Origin Amplifiers Controlled for National Security Reasons to the People's Republic of China, India, Russia, Hong Kong, Singapore, Malaysia, Taiwan, Korea, and Thailand Without the Required Export Licenses**

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³ See 22 C.F.R. 120.25 (2013).

action for failure to include necessary information, rather than waiting to receive any required export licenses. Until he was removed from his position in June 2011, the export coordinator was the sole AR employee who had access to SNAP-R, BIS's electronic license application system, and to DTrade, DDTC's electronic license application system. AR did not perform any internal or external audits of its export control compliance procedures during the time period that the transactions described herein occurred.

In so doing, AR committed 50 violations of Section 764.2(a) of the Regulations.

Charge 51 15 C.F.R. § 764.2(e): Acting With Knowledge

In connection with Charges 1-50 described herein, AR sold items subject to the EAR with knowledge that violations of the Regulations would occur. Specifically, AR sold amplifiers classified under ECCN 3A001, controlled for National Security reasons, and valued at a total of \$2.98 million, to the PRC, India, Russia, Hong Kong, Singapore, Malaysia, Taiwan, Korea, and Thailand without the licenses required pursuant to Section 742.4 of the Regulations. In light of its contemporaneous experience with applying for and receiving licenses and commodity classifications for items classified under ECCN 3A001, as well its licensing history with the Department of Commerce, AR knew or had reason to know that export licenses were required for the exports described in Charges 1-50 herein. Moreover, in connection with certain charges, AR took actions to conceal or falsify the items' classification and other licensing-related information, conduct that demonstrates that AR knew or had reason to know of the applicable export licensing requirements.

AR had a licensing history with the Department of Commerce for items subject to the Regulations beginning in August 1999. The company applied for licenses for amplifiers classified under ECCN 3A001 at least as early as July 2004, when it applied for a license to export such amplifiers to the PRC. In February 2005, AR received a license from the Department of Commerce to export amplifiers classified under ECCN 3A001 to Brazil. Notably, during the time period in which AR made the 50 unlicensed transactions described in Charges 1-50 herein, it applied for and received five licenses to export amplifiers classified under ECCN 3A001 to the PRC, Taiwan, India, and Ethiopia. These five licenses covered model numbers of amplifiers that AR exported without the required licenses on several occasions, including in connection with Charges 2, 4, 8, 31, 32, and 37. Additionally, AR submitted 82 requests for commodity classifications to the Department of Commerce between September 2002 and January 2007. It submitted 53 of these requests during the period in which it committed the violations described in Charges 1-50 herein.

On the shipping invoices associated with exports described in Charges 17, 18, and 22, AR, through its export coordinator, added handwritten statements indicating that the items were designated EAR99 and "NLR" [No License Required]. AR's export coordinator initialed these statements by hand or provided his full signature. On the invoice for Charge 17, AR's export coordinator also typed in a false license number,

“CCC0005.” On the invoice for Charge 18, AR’s export coordinator crossed out the correct export classification of ECCN 3A001 and the words “License #” and wrote in “EAR99.” These handwritten and typed statements were false, as the items were classified under ECCN 3A001 and controlled for National Security reasons and required licenses from BIS for export to the PRC and India pursuant to Section 742.4 of the Regulations.

Furthermore, on seven occasions in connection with Charges 29, 30, 33, 38, 41, 44, and 45, AR, through its export coordinator, redacted licensing classification, end use, and end user information from the shipping invoices. AR’s export coordinator removed these items of information from the section of each invoice where they initially appeared, leaving blank spaces. At the bottom of some of these invoices, AR’s export coordinator also handwrote his name and “EAR99 NLR [No License Required].” The items exported were classified under ECCN 3A001 and controlled for National Security reasons. As such, they required licenses from BIS for export pursuant to Section 742.4 of the Regulations.

In so doing, AR committed one violation of Section 764.2(e) of the Regulations.

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

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

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

WHEREAS, AR 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 AR, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.

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

a. AR shall be assessed a civil penalty in the amount of \$500,000, all of which shall be suspended for a period of two years from the date of the Order, and thereafter shall be waived, provided that during this two-year probationary period under the Order, AR has committed no violation of the Act, or any regulation, order, license, or authorization issued thereunder. If AR commits a violation of the Act or any regulation, order, license, or authorization issued thereunder, during the probationary period under the Order, the suspension of the civil penalty may be modified or revoked by BIS and the \$500,000 made due and owing immediately.

b. AR shall complete an external audit of its export controls compliance program. AR shall hire an unaffiliated third party consultant with expertise in U.S. export control laws to conduct the external audit of its compliance with U.S. export control laws (including recordkeeping requirements), with respect to all exports or reexports that are subject to the Regulations. The results of the audit, including any relevant supporting materials, shall be submitted to the Department of Commerce, Bureau of Industry and Security, Office of Export Enforcement, 1200 South Avenue, Suite 104, Staten Island, NY 10314 ("BIS New York Field

Office”). The audit shall cover the 12-month period beginning on the date of the Order, and the related report shall be due to the BIS New York Field Office no later than fifteen (15) months from the date of the Order. Said audit shall be in substantial compliance with the EMS sample audit module, and shall include an assessment of AR’s compliance with the Regulations. The EMS sample audit module is available on the BIS web site at

http://www.bis.doc.gov/complianceandenforcement/revise_d_emcp_audit.pdf. In addition, where said audit identifies actual or potential violations of the Regulations, AR shall promptly provide copies of the pertinent air waybills and other export control documents and supporting documentation to the BIS New York Field Office.

c. The timely completion of the audit and submission of the audit results in Paragraph 2.b 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 AR. Failure to complete the audit and submit its results may result in the denial of all of AR’s export privileges under the Regulations for one year from the date of the failure to submit the audit results.

3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, AR 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. AR 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 AR has submitted the audit results in Paragraph 2.b.

4. AR 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 AR's testimonial obligations in any proceeding; nor does it affect AR's 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.

5. BIS agrees that upon completion of the audit and submission of the audit results as set forth in Paragraph 2.b, BIS will not initiate any further administrative proceeding against AR in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

6. 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.

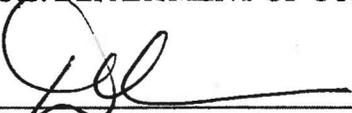
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department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

8. 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.

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

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

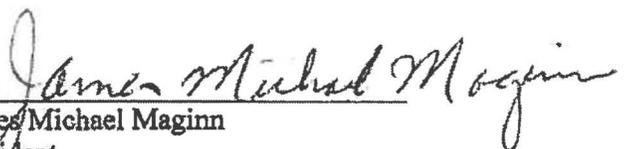
BUREAU OF INDUSTRY AND
SECURITY
U.S. DEPARTMENT OF COMMERCE



Douglas R. Hassebrock
Director of Export Enforcement

Date: 12/27/2013

AMPLIFIER RESEARCH CORPORATION



James Michael Maginn
President

Date: 12/23/13

Reviewed and approved by:



Kay Georgi, Esq.
Arent Fox LLP
Counsel for Amplifier Research Corporation

Date: 12/23/13

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Amplifier Research Corporation
160 School House Road
Souderton, PA 18964

Attention: James Michael Maginn
President

Dear Mr. Maginn:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Amplifier Research Corporation, of Souderton, Pennsylvania (“AR”), has committed 51 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 AR committed the following violations:

Charges 1-50 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting U.S.-Origin Amplifiers Controlled for National Security Reasons to the People’s Republic of China, India, Russia, Hong Kong, Singapore, Malaysia, Taiwan, Korea, and Thailand Without the Required Export Licenses

As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on 50 occasions between or about January 11, 2008 and on or about June 28, 2011, AR engaged in conduct prohibited by the Regulations by exporting U.S.-origin amplifiers from the U.S. to end users in the People’s Republic of China (“PRC”), India, Russia, Hong Kong, Singapore, Malaysia, Taiwan, Korea, and Thailand without the licenses required pursuant to Section 742.4 of the Regulations. These items were subject to the Regulations, classified under Export Control Classification Number (“ECCN”) 3A001, controlled for National Security reasons, and valued at a total of \$2.98 million. The shipments were made either as direct exports

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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 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended most recently by the Notice of August 8, 2013 (78 Fed. Reg. 49,107 (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).

to the intended destination or as exports that transhipped through a second country. Pursuant to Section 734.2(b)(6) of the Regulations, the export of items subject to the Regulations that will transship through a country to a new country or are intended for reexport to the new country, is deemed to be an export to the new country.

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In so doing, AR committed 50 violations of Section 764.2(a) of the Regulations.

Charge 51 15 C.F.R. § 764.2(e): Acting With Knowledge

In connection with Charges 1-50 described herein, AR sold items subject to the EAR with knowledge that violations of the Regulations would occur. Specifically, AR sold amplifiers classified under ECCN 3A001, controlled for National Security reasons, and valued at a total of \$2.98 million, to the PRC, India, Russia, Hong Kong, Singapore, Malaysia, Taiwan, Korea, and Thailand without the licenses required pursuant to Section 742.4 of the Regulations. In light of its contemporaneous experience with applying for and receiving licenses and commodity classifications for items classified under ECCN 3A001, as well its licensing history with the Department of Commerce, AR knew or had reason to know that export licenses were required for the exports described in Charges 1-50 herein. Moreover, in connection with certain charges, AR took actions to conceal or falsify the items' classification and other licensing-related information, conduct that demonstrates that AR knew or had reason to know of the applicable export licensing requirements.

AR had a licensing history with the Department of Commerce for items subject to the Regulations beginning in August 1999. The company applied for licenses for amplifiers

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classified under ECCN 3A001 at least as early as July 2004, when it applied for a license to export such amplifiers to the PRC. In February 2005, AR received a license from the Department of Commerce to export amplifiers classified under ECCN 3A001 to Brazil. Notably, during the time period in which AR made the 50 unlicensed transactions described in Charges 1-50 herein, it applied for and received five licenses to export amplifiers classified under ECCN 3A001 to the PRC, Taiwan, India, and Ethiopia. These five licenses covered model numbers of amplifiers that AR exported without the required licenses on several occasions, including in connection with Charges 2, 4, 8, 31, 32, and 37. Additionally, AR submitted 82 requests for commodity classifications to the Department of Commerce between September 2002 and January 2007. It submitted 53 of these requests during the period in which it committed the violations described in Charges 1-50 herein.

On the shipping invoices associated with exports described in Charges 17, 18, and 22, AR, through its export coordinator, added handwritten statements indicating that the items were designated EAR99 and "NLR" [No License Required]. AR's export coordinator initialed these statements by hand or provided his full signature. On the invoice for Charge 17, AR's export coordinator also typed in a false license number, "CCC0005." On the invoice for Charge 18, AR's export coordinator crossed out the correct export classification of ECCN 3A001 and the words "License #" and wrote in "EAR99." These handwritten and typed statements were false, as the items were classified under ECCN 3A001 and controlled for National Security reasons and required licenses from BIS for export to the PRC and India pursuant to Section 742.4 of the Regulations.

Furthermore, on seven occasions in connection with Charges 29, 30, 33, 38, 41, 44, and 45, AR, through its export coordinator, redacted licensing classification, end use, and end user information from the shipping invoices. AR's export coordinator removed these items of information from the section of each invoice where they initially appeared, leaving blank spaces. At the bottom of some of these invoices, AR's export coordinator also handwrote his name and "EAR99 NLR [No License Required]." The items exported were classified under ECCN 3A001 and controlled for National Security reasons. As such, they required licenses from BIS for export pursuant to Section 742.4 of the Regulations.

In so doing, AR committed one violation of Section 764.2(e) of the Regulations.

* * * * *

Accordingly, AR 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:

- 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

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

- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

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

AR 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). AR 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 (2013).

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

AR is further notified that under the Small Business Regulatory Enforcement Flexibility Act, AR 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, AR'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 AR's answer must be served on BIS at the following address:

Amplifier Research Corporation
Proposed Charging Letter
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Chief Counsel for Industry and Security
Attention: Parvin R. Huda, Esq.
Room H-3839
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

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

Sincerely,

Douglas Hassebrock
Director
Office of Export Enforcement

Unlicensed exports

Charge	Export Date	Item Description	ECCN	Reason for Control	Value	Destination	Violation
1	1/11/2008	amplifier	3A001	National Security (NS)	\$104,000	PRC	§764.2(a)
2	1/22/2008	amplifier	3A001	NS	\$100,917	Malaysia (transshipped via Singapore)	§764.2(a)
3	7/1/2008	amplifier	3A001	NS	\$102,792	PRC	§764.2(a)
4	9/29/2008	amplifier	3A001	NS	\$98,507	Taiwan	§764.2(a)
5	12/5/2008	amplifier	3A001	NS	\$109,151	PRC (transshipped via Singapore)	§764.2(a)
6	12/9/2008	amplifier	3A001	NS	\$53,130	PRC (transshipped via Hong Kong)	§764.2(a)
7	12/22/2008	amplifier	3A001	NS	\$42,849	PRC (transshipped via Hong Kong)	§764.2(a)
8	1/15/2009	amplifier	3A001	NS	\$46,068	PRC (transshipped via Singapore)	§764.2(a)
9	1/28/2009	amplifiers	3A001	NS	\$311,486	PRC (transshipped via Singapore)	§764.2(a)

Amplifier Research Corporation

Schedule of Violations

Charge	Export Date	Item Description	ECCN	Reason for Control	Value	Destination	Violation
10	4/16/2009	amplifier	3A001	NS	\$53,130	PRC	\$764.2(a)
11	4/28/2009	amplifier	3A001	NS	\$62,497	Thailand (transshipped via Singapore)	\$764.2(a)
12	8/27/2009	amplifier	3A001	NS	\$26,180	PRC	\$764.2(a)
13	9/30/2009	amplifier	3A001	NS	\$29,975	PRC (transshipped via Singapore)	\$764.2(a)
14	10/20/2009	amplifier	3A001	NS	\$26,026	PRC	\$764.2(a)
15	11/24/2009	amplifier	3A001	NS	\$50,206	Singapore	\$764.2(a)
16	12/11/2009	amplifier	3A001	NS	\$57,500	Mexico	\$764.2(a)
17	1/5/2010	amplifier	3A001	NS	\$51,842	PRC (transshipped via Singapore)	\$764.2(a)
18	1/19/2010	amplifier	3A001	NS	\$33,535	India	\$764.2(a)
19	2/15/2010	amplifier	3A001	NS	\$42,772	Russia (transshipped via Ireland)	\$764.2(a)

Amplifier Research Corporation

Schedule of Violations

Charge	Export Date	Item Description	ECCN	Reason for Control	Value	Destination	Violation
20	2/23/2010	amplifier	3A001	NS	\$23,870	PRC (transshipped via Hong Kong)	\$764.2(a)
21	3/15/2010	amplifier	3A001	NS	\$61,013	India	\$764.2(a)
22	3/23/2010	amplifier	3A001	NS	\$61,013	India	\$764.2(a)
23	4/22/2010	amplifier	3A001	NS	\$122,026	India	\$764.2(a)
24	4/27/2010	amplifier	3A001	NS	\$26,180	PRC (transshipped via Hong Kong)	\$764.2(a)
25	5/4/2010	amplifier	3A001	NS	\$45,801	Singapore	\$764.2(a)
26	5/18/2010	amplifier	3A001	NS	\$27,561	Taiwan	\$764.2(a)
27	6/1/2010	amplifier	3A001	NS	\$27,181	PRC (transshipped via Hong Kong)	\$764.2(a)
28	6/8/2010	amplifier	3A001	NS	\$26,180	PRC (transshipped via Hong Kong)	\$764.2(a)
29	6/29/2010	amplifier	3A001	NS	\$50,217	Taiwan	\$764.2(a)

Amplifier Research Corporation

Schedule of Violations

Charge	Export Date	Item Description	ECCN	Reason for Control	Value	Destination	Violation
40	11/16/2010	amplifier	3A001	NS	\$26,026	PRC (transshipped via Hong Kong)	\$764.2(a)
41	11/16/2010	amplifier	3A001	NS	\$106,356	Singapore	\$764.2(a)
42	12/15/2010	amplifier	3A001	NS	\$52,206	PRC (transshipped via Hong Kong)	\$764.2(a)
43	12/20/2010	amplifier	3A001	NS	\$28,265	PRC (transshipped via Singapore)	\$764.2(a)
44	1/20/2011	amplifier	3A001	NS	\$26,180	PRC (transshipped via Hong Kong)	\$764.2(a)
45	2/18/2011	amplifier	3A001	NS	\$40,625	Taiwan	\$764.2(a)
46	3/1/2011	amplifier	3A001	NS	\$26,180	PRC	\$764.2(a)
47	4/11/2011	amplifier	3A001	NS	\$28,424	PRC (transshipped via Singapore)	\$764.2(a)
48	5/18/2011	amplifier	3A001	NS	\$23,870	PRC	\$764.2(a)
49	5/23/2011	amplifier	3A001	NS	\$30,030	PRC (transshipped via Hong Kong)	\$764.2(a)

Amplifier Research Corporation

Schedule of Violations

Charge	Export Date	Item Description	ECCN	Reason for Control	Value	Destination	Violation
50	6/28/2011	amplifier	3A001	NS	\$24,831	PRC (transshipped via Hong Kong)	§764.2(a)