

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

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Littelfuse, Inc. (“Littelfuse”), of its intention to initiate an administrative proceeding against Littelfuse pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2007)) (the “Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),² through issuance of a proposed charging letter to Littelfuse that alleged that Littelfuse committed 67 violations of the Regulations. Specifically, these charges are:

¹ The violations alleged to have been committed occurred between 2002 and 2005. The Regulations governing the violations at issue are found in the 2005 version of the Code of Federal Regulations. *See* 15 C.F.R. Parts 730-774 (2005). The 2006 Regulations govern the procedural aspects of this case.

² 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 3, 2006 (71 Fed. Reg. 44,551, Aug. 7, 2006), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)).

Charges 1 - 12 15 C.F.R. § 764.2(a): Engaging in Prohibited Conduct

As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on twelve occasions between on or about July 1, 2002 and on or about August 30, 2004, Littelfuse engaged in conduct prohibited by the Regulations. Specifically, Littelfuse exported ceramic yarn, items classified under Export Classification Control Number (ECCN) 1C010.c 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 twelve violations of Section 764.2(a) of the Regulations.

Charges 13 - 62 15 C.F.R. § 764.2(a): Engaging in Prohibited Conduct

As described in greater detail in the attached Schedule of Violations, on fifty occasions between on or about March 27, 2002 and on or about November 4, 2004, Littelfuse engaged in conduct prohibited by the Regulations. Specifically, Littelfuse exported ceramic yarn, items classified under ECCN 1C010.c and controlled for national security reasons, to the People's Republic of China (PRC) without the Department of Commerce licenses required by Section 742.4(a) of the Regulations. In so doing, Littelfuse committed fifty violations of Section 764.2(a) of the Regulations.

Charges 63 - 67 15 C.F.R. § 764.2(i): Failure to comply with reporting

As described in greater detail in the attached Schedule of Violations, on five occasions between July 1, 2002 and February 1, 2005, Littelfuse failed to comply with a reporting requirement in the Regulations. Between July 1, 2002 and February 1, 2005, Littelfuse exported thirty shipments of ceramic yarn, controlled under ECCN 1C010.c to the Philippines. Eighteen of those shipments, worth under \$1,500 USD, qualify as limited value shipments (LVS) and are exempt from licensing requirements under Section 740.3 of the Regulations for some destinations. Sections 743.1(c)(i) and 743.1(f) of the Regulations require semiannual reports to BIS for exports of LVS items controlled under ECCN 1C010.c, such as ceramic yarn. Littelfuse failed to file a report with BIS on five occasions:

- Charge 63: February 1, 2003 for exports between July 1 and December 30, 2002 to the Philippines;
- Charge 64: August 1, 2003 for exports between January and June 30, 2003 to the Philippines;
- Charge 65: February 1, 2004 for exports between July 1 and December 30, 2003 to the Philippines;
- Charge 66: August 1, 2004 for exports between January – June 30, 2004 to the Philippines; and
- Charge 67: February 1, 2005 for exports between July 1 – December 30, 2004 to the Philippines.

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:

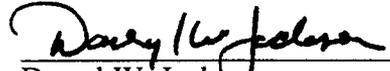
FIRST, that a civil penalty of \$221,100 is assessed against Littelfuse, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

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 timely payment of the civil penalty 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 timely manner, the undersigned may enter an Order denying all of Littelfuse's export privileges for a period of one year from the date of entry of this Order.

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.



Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 9th day of July, 2007.

WHEREAS, Littelfuse filed a voluntary self-disclosure with BIS's Office of Export Enforcement in accordance with Section 764.5 of the Regulations concerning certain transactions at issue herein;

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

WHEREAS, BIS has issued a proposed charging letter to Littelfuse that alleged that Littelfuse committed 67 violations of the Regulations, specifically:

Charges 1 - 12 15 C.F.R. § 764.2(a): Engaging in Prohibited Conduct

As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on twelve occasions between on or about July 1, 2002 and on or about August 30, 2004, Littelfuse engaged in conduct prohibited by the Regulations. Specifically, Littelfuse exported ceramic yarn, items classified under Export Classification Control Number (ECCN) 1C010.c 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 twelve violations of Section 764.2(a) of the Regulations.

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Charges 63 - 67 15 C.F.R. § 764.2(i): Failure to comply with reporting

As described in greater detail in the attached Schedule of Violations, on five occasions between July 1, 2002 and February 1, 2005, Littelfuse failed to comply with a reporting requirement in the Regulations. Between July 1, 2002 and February 1, 2005, Littelfuse exported thirty shipments of ceramic yarn, controlled under ECCN 1C010.c to the Philippines. Eighteen of those shipments, worth under \$1,500 USD, qualify as limited value shipments (LVS) and are exempt from licensing requirements under Section 740.3 of the Regulations for some destinations. Sections 743.1(c)(i) and 743.1(f) of the Regulations require semiannual reports to BIS for exports of LVS items controlled under

ECCN 1C010.c, such as ceramic yarn. Littelfuse failed to file a report with BIS on five occasions:

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- Charge 66: August 1, 2004 for exports between January – June 30, 2004 to the Philippines; and
- Charge 67: February 1, 2005 for exports between July 1 – December 30, 2004 to the Philippines.

WHEREAS, Littelfuse has reviewed the proposed charging letter and is aware of the allegations made against it and the administrative sanctions which 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;

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 entered;

NOW THEREFORE, the Parties hereby agree 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 detailed in the voluntary self-disclosure and the proposed charging letter:

a. Littelfuse shall be assessed a civil penalty in the amount of \$221,100, all of which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order.

b. The 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, permission, or privilege granted, or to be granted, to Littelfuse. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Littelfuse's export privileges for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 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 entered), 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 entered; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order and timely payment of the \$221,100 civil penalty, 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 identified in the voluntary self-disclosure and the proposed charging letter.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.

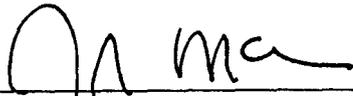
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial 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 entered, 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 entering 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. 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



John McKenna
Acting Director
Office of Export Enforcement

Date: 6/27/07

LITTELFUSE, INC.



Philip G. Franklin
Vice President, Operations and
Chief Financial Officer

Date: 6/18/07

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

Attention: *Mr. Gordon Hunter*
Chairman, President and CEO

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 67 violations of the Export Administration Regulations (the “Regulations”),¹ which are 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 - 12 15 C.F.R. § 764.2(a): Engaging in Prohibited Conduct

As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on twelve occasions between on or about July 1, 2002 and on or about August 30, 2004, Littelfuse engaged in conduct prohibited by the Regulations. Specifically, Littelfuse exported ceramic yarn, items classified under Export Classification Control Number (ECCN) 1C010.c 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 twelve violations of Section 764.2(a) of the Regulations.

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¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2006). The violations charged occurred between 2002 and 2005. The Regulations governing the violations at issue are found in the 2002 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2002)). The 2006 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 13,222 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 3, 2006 (71 Fed. Reg. 44,551, Aug. 7, 2006), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.

Regulations.

Charges 63 - 67 15 C.F.R. § 764.2(i): Failure to comply with reporting

As described in greater detail in the attached Schedule of Violations, on five occasions between July 1, 2002 and February 1, 2005, Littelfuse failed to comply with a reporting requirement in the Regulations. Between July 1, 2002 and February 1, 2005, Littelfuse exported thirty shipments of ceramic yarn, controlled under ECCN 1C010.c to the Philippines. Eighteen of those shipments, worth under \$1,500 USD, qualify as limited value shipments (LVS) and are exempt from licensing requirements under Section 740.3 of the Regulations for some destinations. Sections 743.1(c)(i) and 743.1(f) of the Regulations require semiannual reports to BIS for exports of LVS items controlled under ECCN 1C010.c, such as ceramic yarn. Littelfuse failed to file a report with BIS on five occasions:

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- Charge 66: August 1, 2004 for exports between January – June 30, 2004 to the Philippines; and
- Charge 67: February 1, 2005 for exports between July 1 – December 30, 2004 to the Philippines.

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:

The maximum civil penalty allowed by law of up to \$11,000 per 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 (2006). 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 on each of the charges in this letter.

³ *See* 15 C.F.R. § 6.4(a)(2).

Littelfuse, Inc.
Proposed Charging Letter
Page 3

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 (2006). Littelfuse 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 (2006).

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18 (2006). Should Littelfuse have a proposal to settle this case, Littelfuse's 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, 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.
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Room H-3839
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. She may be contacted by telephone at (202) 482-5301, by fax at (202) 482-0085, or via email at afrazier@bis.doc.gov.

Sincerely,

Michael Turner
Director
Office of Export Enforcement

SCHEDULE OF VIOLATIONS
Ultimate Destination: Littelfuse Philippines

<u>Date of Shipment</u>	<u>Quantity (lbs)</u>	<u>Shipment Value (\$)</u>	<u>Charge Number</u>	<u>EAR Violation</u>	<u>Qualify for LVS Exception</u>	<u>Notes</u>
7/1/2002	4	197.20	63	§ 764.2(i)	Yes	Shipment # 85568353
7/1/2002	4	202.37	63	§ 764.2(i)	Yes	Shipment # 85576212
7/9/2002	4	340.71	63	§ 764.2(i)	Yes	
8/16/2002	4	394.39	63	§ 764.2(i)	Yes	
8/28/2002	40	2,023.66	1	§ 764.2(a)	—	Shipment # 85630962
8/28/2002	40	1,971.99	2	§ 764.2(a)	—	Shipment # 85630961
9/4/2002	20	1,703.58	3	§ 764.2(a)	—	
10/22/2002	8	681.43	63	§ 764.2(i)	Yes	
Total Shipments 2002		7,515.33				
1/16/2003	18	801.94	64	§ 764.2(i)	Yes	Shipment # 85797285
1/16/2003	18	986.00	64	§ 764.2(i)	Yes	Shipment # 85818252
2/26/2003	2	200.48	64	§ 764.2(i)	Yes	
3/28/2003	10	876.91	64	§ 764.2(i)	Yes	
4/4/2003	4	400.97	64	§ 764.2(i)	Yes	
4/17/2003	17	1,513.54	4	§ 764.2(a)	—	
5/2/2003	18	1,735.57	5	§ 764.2(a)	—	
7/11/2003	10	1,002.42	65	§ 764.2(i)	Yes	
9/5/2003	18	964.21	65	§ 764.2(i)	Yes	
10/31/2003	12	2,192.09	6	§ 764.2(a)	—	
11/12/2003	12		7	§ 764.2(a)	—	
12/18/2003	2	175.36	65	§ 764.2(i)	Yes	
Total Shipments 2003		10,849.49				
1/30/2004	8	788.68	66	§ 764.2(i)	Yes	
3/12/2004	6	601.58	66	§ 764.2(i)	Yes	
3/25/2004	15	1,557.33	8	§ 764.2(a)	—	
6/3/2004	15	1,577.37	9	§ 764.2(a)	—	
6/14/2004	19	1,892.83	10	§ 764.2(a)	—	
6/17/2004	40	2,068.30	11	§ 764.2(a)	—	
7/2/2004	7	882.46	67	§ 764.2(i)	Yes	
7/8/2004	9	945.93	67	§ 764.2(i)	Yes	
8/24/2004	3	308.02	67	§ 764.2(i)	Yes	
8/30/2004	25	2,278.18	12	§ 764.2(a)	—	
Total Shipments 2004		12,900.68				