

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

\_\_\_\_\_  
In the Matter of: )  
 )  
Buehler Limited )  
41 Waukegan Road )  
Lake Bluff, IL 60044 )  
 )  
Respondent )  
\_\_\_\_\_

ORDER RELATING TO BUEHLER LIMITED

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Buehler Limited (“Buehler”), of its intention to initiate an administrative proceeding against Buehler pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2007)) (the “Regulations”),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),<sup>2</sup> through the issuance of a proposed charging letter to Buehler that alleged that Buehler committed 5 violations of the Regulations. Specifically, the charges are:

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2007). The violations alleged occurred between 2001 and 2003. The Regulations governing the allegations at issue are found in the 2001-2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2003)). The 2007 Regulations govern the procedural aspects of the case.

<sup>2</sup> 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, 2007 (72 Fed. Reg. 46137 (Aug. 16, 2007)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”).

**Charges 1-4                    15 C.F.R. § 764.2(a) - Exporting Items to Entity List End-user  
Without the Required Department of Commerce License**

On four occasions between on or about May 14, 2002 and on or about June 30, 2003, Buehler engaged in conducted prohibited by the Regulations by exporting various items, including presses and blades, items subject to the Regulations (“EAR 99”)<sup>3</sup> to the Bhabha Atomic Research Center (“BARC”) in Mumbai, India, without the Department of Commerce license required by Section 744.1 of the Regulations. At all times relevant hereto, BARC was an organization listed on the Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. In so doing, Buehler committed four violations of Section 764.2(a) of the Regulations.

**Charge 5                        15 C.F.R. § 764.2(a) - Exporting Item to Iran Without the Required  
U.S. Government Authorization**

On one occasion on or about April 20, 2001, Buehler engaged in conduct prohibited by the Regulations by exporting a replacement part (mold closure), an item subject to the Regulations (EAR 99) and the Iranian Transactions Regulations<sup>4</sup>, from the United States to Iran through the United Kingdom (“UK”) without the required U.S. Government authorization. Pursuant to Section 560.204 of the Iranian Transactions Regulations, an export to a third country intended for transshipment to Iran is a transaction subject to the Iranian Transactions Regulations. Pursuant to Section 746.7 of the Regulations, authorization was required from the Office of Foreign Assets Control, U.S. Department of Treasury (“OFAC”) before the item could be exported to Iran. Specifically, in response to a request for a machine part, Buehler shipped the part to its UK subsidiary. The request stated that the UK subsidiary had shipped the machine to a customer in Iran at an earlier date. The UK subsidiary in turn shipped the part to the same Iranian customer. In so doing, Buehler committed one violation of Section 764.2(a) of the Regulations.

WHEREAS, BIS and Buehler 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:

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<sup>3</sup> EAR 99 is a designation for items subject to the Regulations that are not listed on the Commerce Control List.

<sup>4</sup>The Iranian Transactions Regulations are currently codified in the Code of Federal Regulations at 31 C.F.R. Part 560 (2007).

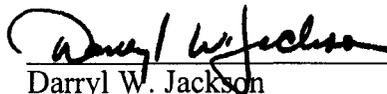
FIRST, that a civil penalty of \$27,000 is assessed against Buehler, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

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, Buehler 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 Buehler. Accordingly, if Buehler should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Buehler's export privileges under the Regulations 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 10<sup>th</sup> day of October, 2007.

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

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In the Matter of: )  
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Buehler Limited )  
41 Waukegan Road )  
Lake Bluff, IL 60044 )  
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Respondent )  
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SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Buehler Limited (“Buehler”), 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 (currently codified at 15 C.F.R. Parts 730-774 (2007)) (the “Regulations”),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”).<sup>2</sup>

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

<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2007). The violations alleged occurred between 2001 and 2003. The Regulations governing the allegations at issue are found in the 2001-2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2003)). The 2007 Regulations govern the procedural aspects of the case.

<sup>2</sup> 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, 2007 (72 Fed. Reg. 46137 (Aug. 16, 2007)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”).

WHEREAS, BIS has issued a proposed charging letter to Buehler that alleged that Buehler committed 5 violations of the Regulations, specifically:

**Charges 1-4            15 C.F.R. § 764.2(a) - Exporting Items to Entity List End-user  
Without the Required Department of Commerce License**

On four occasions between on or about May 14, 2002 and on or about June 30, 2003, Buehler engaged in conduct prohibited by the Regulations by exporting various items, including presses and blades, items subject to the Regulations ("EAR 99")<sup>3</sup> to the Bhabha Atomic Research Center ("BARC") in Mumbai, India, without the Department of Commerce license required by Section 744.1 of the Regulations. At all times relevant hereto, BARC was an organization listed on the Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. In so doing, Buehler committed four violations of Section 764.2(a) of the Regulations.

**Charge 5                15 C.F.R. § 764.2(a) - Exporting Item to Iran Without the  
Required U.S. Government Authorization**

On one occasion on or about April 20, 2001, Buehler engaged in conduct prohibited by the Regulations by exporting a replacement part (mold closure), an item subject to the Regulations (EAR 99) and the Iranian Transactions Regulations<sup>4</sup>, from the United States to Iran through the United Kingdom ("UK") without the required U.S. Government authorization. Pursuant to Section 560.204 of the Iranian Transactions Regulations, an export to a third country intended for transshipment to Iran is a transaction subject to the Iranian Transactions Regulations. Pursuant to Section 746.7 of the Regulations, authorization was required from the Office of Foreign Assets Control, U.S. Department of Treasury ("OFAC") before the item could be exported to Iran. Specifically, in response to a request for a machine part, Buehler shipped the part to its UK subsidiary. The request stated that the UK subsidiary had shipped the machine to a customer in Iran at an earlier date. The UK subsidiary in turn shipped the part to the same Iranian customer. In so doing, Buehler committed one violation of Section 764.2(a) of the Regulations.

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<sup>3</sup> EAR 99 is a designation for items subject to the Regulations that are not listed on the Commerce Control List.

<sup>4</sup>The Iranian Transactions Regulations are currently codified in the Code of Federal Regulations at 31 C.F.R. Part 560 (2007).

WHEREAS, Buehler 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, Buehler 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, Buehler enters into this Agreement voluntarily and with full knowledge of its rights;

WHEREAS, Buehler states that no promises or representations have been made to it other than the agreements and considerations herein expressed and in the September 18, 2007 letter transmitting this Agreement to its counsel;

WHEREAS, Buehler neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, Buehler wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, Buehler agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Buehler, under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. The following sanction shall be imposed against Buehler in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the proposed charging letter:

a. Buehler shall be assessed a civil penalty in the amount of \$27,000, 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 Buehler. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Buehler'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, Buehler 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 \$27,000 civil penalty, BIS will not initiate any further administrative proceeding against Buehler in connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed charging letter.

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

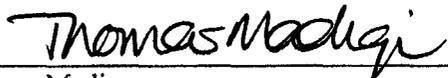
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial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



Thomas Madigan  
Acting Director  
Office of Export Enforcement

Date: October 4, 2007

BUEHLER LIMITED



Tracy Putnam  
President

Date: 27 Sept 2007

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Buehler Limited  
41 Waukegan Road  
Lake Bluff, IL 60044

*Attention:* Tracy Putnam  
President

Dear Mr. Putnam:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Buehler Limited of Lake Bluff, Illinois ("Buehler ") has committed 5 violations of the Export Administration Regulations (the "Regulations"),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979, as amended (the "Act").<sup>2</sup> Specifically, BIS charges that Buehler committed the following violations:

**Charges 1-4            15 C.F.R. § 764.2(a) - Exporting Items to Entity List End-user  
Without the Required Department of Commerce License**

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on four occasions between on or about May 14, 2002 and on or about June 30, 2003, Buehler engaged in conducted prohibited by the Regulations by exporting various items, including presses and blades, items subject to the Regulations ("EAR 99")<sup>3</sup> to the Bhabha Atomic Research Center ("BARC") in Mumbai, India, without the Department of Commerce license

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2007). The violations charged occurred between 2001 and 2003. The Regulations governing the violations at issue are found in the 2001-2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2003)). The 2007 Regulations govern the procedural aspects of the case.

<sup>2</sup> 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)), as extended by the Notice of August 3, 2006 (71 Fed. Reg. 44551 (August 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)).

<sup>3</sup> EAR 99 is a designation for items subject to the Regulations that are not listed on the Commerce Control List.

required by Section 744.1 of the Regulations. At all times relevant hereto, BARC was an organization listed on the Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. In so doing, Buehler committed four violations of Section 764.2(a) of the Regulations.

**Charge 5                      15 C.F.R. § 764.2(a) - Exporting Item to Iran Without the Required U.S. Government Authorization**

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on one occasion on or about April 20, 2001, Buehler engaged in conduct prohibited by the Regulations by exporting a replacement part (mold closure), an item subject to the Regulations (EAR 99) and the Iranian Transactions Regulations<sup>4</sup>, from the United States to Iran through the United Kingdom (“UK”) without the required U.S. Government authorization. Pursuant to Section 560.204 of the Iranian Transactions Regulations, an export to a third country intended for transshipment to Iran is a transaction subject to the Iranian Transactions Regulations. Pursuant to Section 746.7 of the Regulations, authorization was required from the Office of Foreign Assets Control, U.S. Department of Treasury (“OFAC”) before the item could be exported to Iran. Specifically, in response to a request for a machine part, Buehler shipped the part to its UK subsidiary. The request stated that the UK subsidiary had shipped the machine to a customer in Iran at an earlier date. The UK subsidiary in turn shipped the part to the same Iranian customer. In so doing, Buehler committed one violation of Section 764.2(a) of the Regulations.

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Accordingly, Buehler 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;<sup>5</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

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<sup>4</sup>The Iranian Transactions Regulations are currently codified in the Code of Federal Regulations at 31 C.F.R. Part 560 (2007).

<sup>5</sup>See 15 C.F.R. §6.4(a)(4) (2001-2003).

If Buehler 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. (Regulations, Sections 766.6 and 766.7). If Buehler defaults, the Administrative Law Judge may find the charges alleged in this letter are true without hearing or further notice to Buehler. 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.

Buehler is further notified that it is entitled to an agency hearing on the record if Buehler files a written demand for one with its answer. (Regulations, Section 766.6). Buehler is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should Buehler have a proposal to settle this case, Buehler or its representative should transmit the proposal to the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Buehler'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 Buehler's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Parvin R. Huda  
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 Buehler may wish to have concerning this matter should occur through her. Ms. Huda may be contacted by telephone at (202) 482-5301.

Sincerely,

Buehler Ltd.  
Proposed Charging Letter  
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Michael D. Turner  
Director  
Office of Export Enforcement

Enclosure

**BUEHLER LIMITED**  
**SCHEDULE A-EAR VIOLATIONS**

TRANSACTION	EXPORT DATE	ITEM	ECCN	ULTIMATE DESTINATION	VALUE	VIOLATION
1	5/14/2002	5 Wafering Blades	EAR99	Bhabha Atomic Research Center, Mumbai, India	\$1,296.00	764.2(a)
2	9/25/2002	Simplinet Mounting Press	EAR99	Bhabha Atomic Research Center, Mumbai, India	\$4,326.00	764.2(a)
3	3/16/2003	2 Ecomet 3s and 2 Automet 2s	EAR99	Bhabha Atomic Research Center, Mumbai, India	\$21,258.00	764.2(a)
4	6/30/2003	Specimen Holder and Accessories	EAR99	Bhabha Atomic Research Center, Mumbai, India	\$1,602.00	764.2(a)
5	04/20/2001	Mold Closure (Warranty Replacement Part)	EAR99	Iran	—	764.2(a)