

Recent Fines and Penalties Assessed by BIS July/August 2011

<u>Entity/Person</u>	<u>Country</u>	<u>Fine/Penalty</u>	<u>Reason</u>
1) Jianwei Ding	Singapore	\$100,000 Fine, suspension of export privileges for 25 years	Export to China without Export License
2) Xun Wang (Managing Director of PPG Paints Trading)	Shanghai	Charged with Conspiracy to export to a prohibited end-user	Xun Wang falsely told her company that paint was to be exported for use in a Chinese nuclear reactor, when in reality, it was going to a nuclear plant in Pakistan.
3) Moe Zayed El-Gamal (CEO of Applied Technology in N.Carolina)	Libya	\$340,000 Fine	Exporting controlled networking equipment to Libya without a license.
4) Ulrich Davis , Manager of a Dutch freight forwarder	Netherlands	20 years in prison; \$1 Million Fine	Conspiracy to export aircraft parts and peroxide to Iran
5) Ram Int'l (Freight Forwarder)	U.S.	\$40,000 Fine	Ram Int'l arranged for the export ETP steel to Allied Trading Company in Pakistan, even though they are listed on the BIS' Entities List.
6) Serfilco Ltd of Illinois	U.S.	\$14,000 Fine	On 4 occasions, Serfilco LTD exported industrial pumps and components to Russia, India and Israel. These goods are controlled under ECCN 2B350 and required licenses that were ignored.
7) Toll Global (Freight Forwarder)	U.S.	\$200,000 Fine, mandatory Export Compliance Audit, failure to pay will result in revocation of export privileges	Toll Global arranged for the export of a number of shipments to organizations in India that are on the BIS' Entities List. Even though the goods were EAR99, the end users are on the Entities List and require export licenses.

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8) Norton Lilly Int'l	U.S.	\$374,400 Fine	Norton Lilly paid port charges incurred at an Iranian port. OFAC determined that they should have known the transaction was a violation of US export laws.
9) CMA CGM LLC	U.S.	\$402,265 Fine	On at least two occasions, CMA CGM, a container shipping company, received payment for shipments between third countries and Cuba, Iran, and Sudan. Given the size of CMA CGM's international business, the US gov't determined that they lacked an adequate compliance program.
10) Davoud Baniameri (Iranian National)	Iranian	51 month jail term	Baniameri conspired to export missile components and radio test sets to Iran without an export license and pled guilty.
11) Chemguard, Inc. (Texan company)	U.S.	\$22,000 Fine	Chemguard furnished information about business relationships with boycotted countries in transactions involving the sale of goods or services from the US to the U.A.E. They were also charged with not reporting the receipt of a request to engage in a restrictive business practice or foreign boycott against a country friendly to the US.
12) Applied Technology Inc.	U.S.	\$10,000 Fine	ATI furnished prohibited information in a statement that the goods it was exporting did not contain any material of Israeli origin and failed to report receipt of such a request.
13) Lynden Airfreight	U.S.	\$20,400 Fine	In three transactions involving exports to Libya, Lynden furnished prohibited information in a statement certifying that the goods were not of Israeli origin and failed to report receipt of such a request.
14) Smith International Inc.	U.S.	\$20,500	On one occasion, Smith refused to do business with an entity requesting boycott information, but did not report it. On another occasion, they provided the information, and on 9 other occasions, failed to report receipt of boycott requests.
15) Unnamed Singapore Citizen (presently incarcerated in Texas)	U.S.	\$100,000 Fine; Suspension of Export Priviledges for 25 years	This man was caught exporting carbon fiber materials to China without the required export licenses.

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1) Vytran LLC (New Jersey company)	U.S.	\$28,000 fine, Compliance Manager ordered to attend and verify training on Export Compliance	This company exported a large-diameter precision cleaver to the Chinese Academy of Engineering Physics (CAEP), which is listed on the Entities List, through a Chinese intermediate consignee. Since the CAEP is on the Entities List, a license is required and was not applied for by Vytran.
2) Bank of New York Mellon (Shanghai Branch)	China	\$30,000 fine	This company violated the EAR (15) times by furnishing information about its business relationships with boycotted countries
3) L-3 Communications Holdings LLC (former employee Sixing "Steve" Liu)	U.S.	Former employee indicted	The indictment alleges that Sixing Liu misappropriated and exported sensitive military technology to China. He has been charged with 8 counts of exporting defense-related technical data without a license and 1 count of transporting stolen goods across state lines.
4) Latin Node Inc (Jorge Granados)	U.S.	46 Months in prison, \$500,000 fine. Company fined \$2 Million.	Violated Foreign Corrupt Practices Act (FCPA) by bribing Honduras gov't. officials with over \$500,000. This is the fourth senior executive of Latin Node to plead guilty of conspiring to pay bribes to Honduran officials.
5) A.M. Castle & Co.	U.S.	\$775,000 fine	On 65 occasions between 1/11/05 and 1/10/08, AMC exported aluminum alloy to China, Singapore, Malaysia, and Mexico without the required Dept. of Commerce export licenses. Under the settlement agreement, AMC agreed to pay the 4 payments of \$155,000 totaling a \$775,000 fine, complete an audit of their Export Compliance Program and submit the findings to BIS. Failure to honor this agreement will result in the revocation of AMG's right to export.
6) Marc Knapp of Simi Valley	U.S.	46 Month in prison	Marc Knapp pled guilty to trying to export an F-5 fighter jet to Iran, in violation of the Arms Export Control Act (AECA).
7) Bridgestone Corporati	Japan	\$28 Million fine	For conspiring to rig bids and make corrupt payments to foreign government officials in Latin America between January 1999 and May 2007.