

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

In the Matter of:)
)
Chris Carter)
80 Othonos Street)
Kyfissia 14561)
Athens, Greece)
)

Respondent)

ORDER RELATING TO CHRIS CARTER

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Chris Carter (“Carter”) of its intention to initiate an administrative proceeding against Carter pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2005)) (“Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”)², by issuing a proposed charging letter to Carter that alleged that Carter committed 16 violations of the Regulations. Specifically, the charges are:

¹ The charged violations occurred in 2000. The Regulations governing the violations at issue are found in the 2000 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000)). The 2005 Regulations set forth the procedures that apply to this matter.

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. 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 6, 2004 (69 *Fed. Reg.* 48763, August 10, 2004), has continued the Regulations in effect under the IEEPA.

1. *Two Violations of 15 C.F.R. § 764.2(a) - Export of Medical Defibrillators to Iran Without the Required U.S. Government Authorizations:* On or about May 12, 2000 and on or about July 3, 2000, Carter engaged in conduct prohibited by the Regulations by exporting medical defibrillators, items subject to both the Regulations (EAR99)³ and the Iranian Transactions Regulations of the Treasury Department's Office of Foreign Assets Control ("OFAC"),⁴ through South Africa, to Iran without obtaining authorization from OFAC in violation of Section 746.7 of the Regulations.
2. *Two Violations of 15 C.F.R. § 764.2(e) - Selling Items With Knowledge Violations of the Regulations Would Occur:* On or about May 12, 2000 and on or about July 3, 2000, Carter sold the defibrillators referenced above with knowledge that violations of the Regulations would occur. Specifically, Carter sold the defibrillators on behalf of ZOLL when Carter knew or had reason to know that they would be exported from the United States to Iran without the required U.S. Government authorization.
3. *Two Violations of 15 C.F.R. § 764.2(g) - False Statements on Shipper's Export Declarations Concerning Country of Ultimate Destination:* In connection with the two transactions referenced above, Carter made false statements to the U.S. Government in violation of the Regulations. Specifically, Carter caused Shipper's

³ The term "EAR99" refers to items subject to the Regulations which are not listed on the Commerce Control List. *See* 15 C.F.R. § 734.3(c).

⁴ *See* 31 C.F.R. § 560.204.

Export Declarations to be filed with the U.S. Government that stated the country of ultimate destination for the defibrillators was South Africa. These statements were false because, as described above, the country of ultimate destination was Iran.

4. *Two Violations of 15 C.F.R. § 764.2(e) - Knowingly Making False Statements on Shipper's Export Declarations:* In connection with the transactions referenced above, Carter engaged in conduct prohibited by the Regulations with knowledge that violations of the Regulations would occur. Specifically, Carter caused Shipper's Export Declarations to be filed with the U.S. Government that falsely stated the country of ultimate destination was South Africa. At all times relevant hereto, Carter knew or had reason to know that the country of ultimate destination for the exports of the defibrillators was Iran.
5. *Two Violations of 15 C.F.R. § 764.2(g) - False Statements on Shipper's Export Declarations Concerning Identity of Ultimate Consignees:* In connection with the two transactions referenced above, Carter made false statements to the U.S. Government in violation of the Regulations. Specifically, Carter caused Shipper's Export Declarations to be filed with the U.S. Government that falsely stated the true identity of the ultimate consignees.
6. *Two Violations of 15 C.F.R. § 764.2(e) - Knowingly Making False Statements on Shipper's Export Declarations:* In connection with the two transactions referenced above, Carter engaged in conduct prohibited by the Regulations with knowledge that violations of the Regulations would occur. Specifically, Carter caused Shipper's Export Declarations to be filed with the U.S. Government that

falsely stated the identity of the ultimate consignees. At all times relevant hereto, Carter knew or had reason to know that the ultimate consignees for the exports of defibrillators were other than those listed on the Shipper's Export Declarations.

7. *Two Violations of 15 C.F.R. § 764.2(g) - False Statements on Shipper's Export Declarations Concerning Authority to Export:* In connection with the two transactions referenced above, Carter made false statements to the U.S. Government in violation of the Regulations. Specifically, Carter caused Shipper's Export Declarations to be filed with the U.S. Government that stated the exports of defibrillators to Iran qualified for export from the United States as NLR ("No License Required"). These statements were false because, as described above, U.S. Government authorization was required to export these items to Iran.
8. *Two Violations of 15 C.F.R. § 764.2(g) - Knowingly Making False Statements on Shipper's Export Declarations Concerning Authority to Export:* In connection with the two transactions referenced above, Carter engaged in conduct prohibited by the Regulations with knowledge that violations of the Regulations would occur. Specifically, Carter caused Shipper's Export Declarations to be filed with the U.S. Government that falsely stated the defibrillators qualified for export from the United States as NLR. At all times relevant hereto, Carter knew or had reason to know that U.S. Government authorization was required for the exports of defibrillators to Iran.

WHEREAS, BIS and Carter 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 in the amount of \$120,000 is assessed against Carter, of which \$30,000 shall be paid to the U.S. Department of Commerce not later than April 1, 2006; \$30,000 shall be paid to the U.S. Department of Commerce not later than July 1, 2006; \$30,000 shall be paid to the U.S. Department of Commerce not later than October 1, 2006; and \$30,000 shall be paid to the U.S. Department of Commerce not later than January 1, 2007. 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, Carter 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 Carter. Accordingly, if Carter should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Carter's export privileges for a period of one year from the date of entry of this Order.

FOURTH, for a period of five years from the date of entry of the Order, Chris Carter, 80 Othones Street, Kyfissia 14561, Athens, Greece, his successors or assigns, and when acting for or on behalf of Carter, his representatives, agents, or employees ("Denied Person") may not participate, directly or indirectly, in any way in any transaction involving any commodity,

software or technology (hereinafter collectively referred to as “item”) exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, License Exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
- C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

FIFTH, that no person may, directly or indirectly, do any of the following:

- A. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Denied Person acquires or attempts to acquire such ownership, possession or control;
- C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Denied Person of any item subject to the Regulations that has

been exported from the United States;

- D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
- E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by the Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

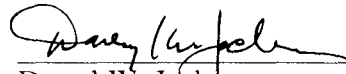
SIXTH, that, to prevent evasion of this Order, BIS, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, may make any person, firm, corporation, or business organization related to Carter by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services subject to the provisions of this Order.

SEVENTH, that this Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

EIGHTH, that, as authorized by Section 766.18 (c) of the Regulations, the denial period set forth above shall be suspended in its entirety for one year from the date of this Order, and shall thereafter be waived, provided that during the period of suspension, Carter has committed no violation of the Act or any regulation, order or license issued thereunder.

NINTH, 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 17th day of February 2006.

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

In the Matter of:)
)
Chris Carter)
80 Othonos Street)
Kyfissia 14561)
Athens, Greece)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Chris Carter (“Carter”), and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively referred to as “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2005)) (“Regulations”)¹, issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”)².

WHEREAS, BIS has notified Carter of its intention to initiate an administrative proceeding against Carter, as a Regional Sales Manager of ZOLL Medical Corporation of

¹ The charged violations occurred in 2000. The Regulations governing the violations at issue are found in the 2000 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000)). The 2005 Regulations set forth the procedures that apply to this matter.

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. 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 6, 2004 (69 *Fed. Reg.* 48763, August 10, 2004), has continued the Regulations in effect under the IEEPA.

Chelmsford, Massachusetts (“ZOLL”), in his individual capacity, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to Carter that alleged that Carter committed 16 violations of the Regulations, specifically:

1. *Two Violations of 15 C.F.R. § 764.2(a) - Export of Medical Defibrillators to Iran Without the Required U.S. Government Authorizations:* On or about May 12, 2000 and on or about July 3, 2000, Carter engaged in conduct prohibited by the Regulations by exporting medical defibrillators, items subject to both the Regulations (EAR99)³ and the Iranian Transactions Regulations of the Treasury Department’s Office of Foreign Assets Control (“OFAC”),⁴ through South Africa, to Iran without obtaining authorization from OFAC, in violation of Section 746.7 of the Regulations.
2. *Two Violations of 15 C.F.R. § 764.2(e) - Selling Items With Knowledge Violations of the Regulations Would Occur:* On or about May 12, 2000 and on or about July 3, 2000, Carter sold the defibrillators referenced above with knowledge that violations of the Regulations would occur. Specifically, Carter sold the defibrillators on behalf of ZOLL when Carter knew or had reason to know that

³ The term “EAR99” refers to items subject to the Regulations which are not listed on the Commerce Control List. *See* 15 C.F.R. § 734.3(c).

⁴ *See* 31 C.F.R. § 560.204.

Government in violation of the Regulations. Specifically, Carter caused Shipper's Export Declarations to be filed with the U.S. Government that falsely stated the true identity of the ultimate consignees.

6. *Two Violations of 15 C.F.R. § 764.2(e) - Knowingly Making False Statements on Shipper's Export Declarations:* In connection with the two transactions referenced above, Carter engaged in conduct prohibited by the Regulations with knowledge that violations of the Regulations would occur. Specifically, Carter caused Shipper's Export Declarations to be filed with the U.S. Government that falsely stated the identity of the ultimate consignees. At all times relevant hereto, Carter knew or had reason to know that the ultimate consignees for the exports of defibrillators were other than those listed on the Shipper's Export Declarations.
7. *Two Violations of 15 C.F.R. § 764.2(g) - False Statements on Shipper's Export Declarations Concerning Authority to Export:* In connection with the two transactions referenced above, Carter made false statements to the U.S. Government in violation of the Regulations. Specifically, Carter caused Shipper's Export Declarations to be filed with the U.S. Government that stated the exports of defibrillators to Iran qualified for export from the United States as NLR ("No License Required"). These statements were false because, as described above, U.S. Government authorization was required to export these items to Iran.
8. *Two Violations of 15 C.F.R. § 764.2(g) - Knowingly Making False Statements on Shipper's Export Declarations Concerning Authority to Export:* In connection

with the two transactions referenced above, Carter engaged in conduct prohibited by the Regulations with knowledge that violations of the Regulations would occur. Specifically, Carter caused Shipper's Export Declarations to be filed with the U.S. Government that falsely stated the defibrillators qualified for export from the United States as NLR. At all times relevant hereto, Carter knew or had reason to know that U.S. Government authorization was required for the exports of defibrillators to Iran.

WHEREAS, Carter has reviewed the proposed charging letter and is aware of the allegations made against him and the administrative sanctions which could be imposed against him if the allegations are found to be true;

WHEREAS, Carter 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, Carter enters into this Agreement voluntarily and with full knowledge of his rights;

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Carter, under the Regulations, in connection with the matters alleged in the proposed charging letter.

2. The following sanctions shall be imposed against Carter in complete settlement of the violations of the Regulations set forth in the proposed charging letter:

- a. Carter shall be assessed a civil penalty in the amount of \$120,000, of which \$30,000 shall be paid to the U.S. Department of Commerce not later than April 1, 2006; \$30,000 shall be paid to the U.S. Department of Commerce not later than July 1, 2006; \$30,000 shall be paid to the U.S. Department of Commerce not later than October 1, 2006; and \$30,000 shall be paid to the U.S. Department of Commerce not later than January 1, 2007.
- 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 Carter. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Carter's export privileges for a period of one year from the date of imposition of the penalty.
- c. For a period of five years from the date of entry of the Order, Carter, his successors or assigns, and, when acting for or on behalf of Carter, his representatives, agents, or employees ("Denied Person") may not participate,

directly or indirectly, in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- i. Applying for, obtaining, or using any license, License Exception, or export control document;
- ii. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
- iii. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

d. BIS agrees that, as authorized by Section 766.18 (c) of the Regulations, the five year denial period set forth in paragraph 2.c. shall be suspended in its entirety for a period of one year from the entry of the appropriate Order, and shall thereafter be waived, provided that during the period of suspension, Carter has committed no violation of the Act or any regulation, order or license issued thereunder, and, provided further that Carter has made timely payment of the \$120,000 civil penalty assessed pursuant to this Agreement and the Order.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Carter 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 the proposed charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; (c) request any relief from the Order, if entered, including without limitation relief from the terms of a denial order under 15 C.F.R. § 764.3(a)(2); and (d) 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 \$120,000 civil penalty, BIS will not initiate any further administrative proceeding against Carter 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 BIS 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.

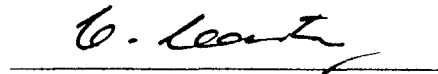
BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE

CHRIS CARTER



Michael D. Turner
Director
Office of Export Enforcement

Date: 2/15/06



Chris Carter

Date: 5 FEB. 2006

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Chris Carter
80 Othonos Street
Kyfissia 14561
Athens, Greece

Dear Mr. Carter:

The Bureau of Industry and Security, United States Department of Commerce ("BIS"), has reason to believe that you, Chris Carter, as a Regional Sales Manager of ZOLL Medical Corporation of Chelmsford, Massachusetts ("ZOLL"), in your individual capacity ("Carter"), have committed 16 violations of the Export Administration Regulations (the "Regulations"),¹ which are issued under the authority of the Export Administration Act of 1979 (the "Act").² Specifically, BIS charges that Carter committed the following violations:

**Charges 1-2 15 C.F.R. § 764.2(a) - Export of Medical Defibrillators to Iran
Without the Required U.S. Government Authorization**

On or about May 12, 2000 and on or about July 3, 2000, Carter engaged in conduct prohibited by the Regulations by exporting medical defibrillators, items subject to both the Regulations (EAR99)³ and the Iranian Transactions Regulations of the Treasury Department's Office of

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2005). The charged violations occurred in 2000. The Regulations governing the violations at issue are found in the 2000 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000)). The 2005 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) and it remained in effect through August 20, 2001. 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 6, 2004 (69 *Fed. Reg.* 48763 (August 10, 2004)), continues the Regulations in effect under the IEEPA.

³ The term "EAR99" refers to items subject to the Regulations which are not listed on the Commerce Control List. See 15 C.F.R. § 734.3(c).

Foreign Assets Control (“OFAC”),⁴ through South Africa, to Iran without obtaining authorization from OFAC as required by Section 746.7 of the Regulations. In so doing, Carter committed two violations of Section 764.2(a) of the Regulations.

Charges 3-4 15 C.F.R. § 764.2(e) - Selling Items With Knowledge Violations of the Regulations Would Occur

On or about May 12, 2000 and on or about July 3, 2000, Carter sold the defibrillators referenced in Charges One and Two with knowledge that violations of the Regulations would occur. Specifically, Carter sold the defibrillators on behalf of ZOLL when Carter knew or had reason to know that they would be exported from the United States to Iran without the required U.S. Government authorization. In so doing, Carter committed two violations of Section 764.2(e) of the Regulations.

Charges 5-6 15 C.F.R. § 764.2(g) - False Statements on Shipper’s Export Declarations Concerning Country of Ultimate Destination

In connection with the transactions referenced in Charges One and Two, Carter made false statements to the United States Government in violation of the Regulations. Specifically, Carter caused Shipper’s Export Declarations to be filed with the United States Government that stated the country of ultimate destination for the defibrillators was South Africa. These statements were false because, as described in Charges One and Two, the country of ultimate destination was Iran. In so doing, Carter committed two violations of Section 764.2(g) of the Regulations.

Charges 7-8 15 C.F.R. § 764.2(e) - Knowingly Making False Statements on Shipper’s Export Declarations

In connection with the transactions referenced in Charges One and Two, Carter engaged in conduct prohibited by the Regulations with knowledge that violations of the Regulations would occur. Specifically, Carter caused Shipper’s Export Declarations to be filed with the United States Government that falsely stated the country of ultimate destination was South Africa. At all times relevant hereto, Carter knew or had reason to know that the country of ultimate destination for the exports of defibrillators was Iran. In so doing, Carter committed two violations of Section 764.2(e) of the Regulations.

⁴ See 31 C.F.R. § 560.204.

**Charges 9-10 15 C.F.R. § 764.2(g) - False Statements on Shipper's Export
Declarations Concerning Identity of Ultimate Consignees**

In connection with the transactions referenced in Charges One and Two, Carter made false statements to the United States Government in violation of the Regulations. Specifically, Carter caused Shipper's Export Declarations to be filed with the United States Government that falsely stated the true identity of the ultimate consignees was STAT (Pty) Ltd. in South Africa. In fact, these statements were false because the actual ultimate consignees in the transactions were located in Iran. In so doing, Carter committed two violations of Section 764.2(g) of the Regulations.

**Charges 11-12 15 C.F.R. § 764.2(e) - Knowingly Making False Statements on
Shipper's Export Declarations**

In connection with the transactions referenced in Charges One and Two, Carter engaged in conduct prohibited by the Regulations with knowledge that violations of the Regulations would occur. Specifically, Carter caused Shipper's Export Declarations to be filed with the United States Government that falsely stated the identity of the ultimate consignees for the transactions were located in South Africa. At all times relevant hereto, Carter knew or had reason to know that the ultimate consignees for the exports of defibrillators were located in Iran. In so doing, Carter committed two violations of Section 764.2(g) of the Regulations.

**Charges 13-14 15 C.F.R. § 764.2(g) - False Statements on Shipper's Export
Declarations Concerning Authority to Export**

In connection with the transactions referenced in Charges One and Two, Carter made false statements to the United States Government in violation of the Regulations. Specifically, Carter caused Shipper's Export Declarations to be filed with the United States Government that stated the exports of defibrillators to Iran qualified for export from the United States as NLR ("No License Required"). These statements were false because, as described in Charges One and Two, U.S. Government authorization was required to export these items to Iran. In doing so, Carter committed two violations of Section 764.2(g) of the Regulations.

**Charges 15-16 15 C.F.R. § 764.2(g) - Knowingly Making False Statements on
Shipper's Export Declarations Concerning Authority to Export**

In connection with the transactions referenced in Charges One and Two, Carter engaged in conduct prohibited by the Regulations with knowledge that violations of the Regulations would occur. Specifically, Carter caused Shipper's Export Declarations to be filed with the United States Government that falsely stated the defibrillators qualified for export from the United States to Iran as NLR. At all times relevant hereto, Carter knew or had reason to know that U.S.

Government authorization was required for the exports of defibrillators to Iran. In so doing, Carter committed two violations of Section 764.2(e) of the Regulations.

Carter is hereby notified that an administrative proceeding is instituted against him 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 \$11,000 per violation;⁵

Denial of export privileges; and/or

Exclusion from practice before BIS.

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

Carter is further notified that he is entitled to an agency hearing on the record if he files a written demand for one with his answer. *See* 15 C.F.R. § 766.6. Carter is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent him. *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 Carter have a proposal to settle this case, Carter or his representative should transmit it 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, Carter'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 Carter's answer must be served on BIS at the following address:

⁵ *See* 15 C.F.R. § 6.4(a)(2).

Chris Carter
Charging Letter
Page 5 of 5

Chief Counsel for Industry and Security
Attention: David C. Recker, Esq.
Room H-3839
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

David C. Recker is the attorney representing BIS in this case; any communications that Carter may wish to have concerning this matter should occur through him. Mr. Recker may be contacted by telephone at (202) 482-5301.

Sincerely,

Michael D. Turner
Director
Office of Export Enforcement