

APH 11 2006



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Industry and Security
Washington, D.C. 20230

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ingersoll-Rand Co., Ltd.
200 Chestnut Ridge Road
Woodcliff Lake, NJ 07677

Attention: *Herbert L. Henkel*
Chairman, President and Chief Executive Officer

Dear Mr. Henkel:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Ingersoll-Rand Co., Ltd., through its Bryan, Ohio IR ARO Fluid Products division ("Ingersoll-Rand"), has committed 80 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 Ingersoll-Rand committed the following violations:

**Charges 1-28 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by
Exporting Diaphragm Pumps Without the Required License**

As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on 28 occasions, between on or about December 16, 2000 and on or about December 13, 2002, Ingersoll-Rand engaged in conduct prohibited by the Regulations by exporting diaphragm pumps, items classified under Export Control Classification Number ("ECCN") 2B350 and controlled for reasons of chemical and biological weapons proliferation, to India, Israel, the People's Republic of China ("China"), the Republic of China ("Taiwan"), and Russia without the Department of

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 during 2000, 2001 and 2002. The Regulations governing the violations at issue are found in the 2000, 2001, and 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2002)). 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 2, 2005 (70 Fed. Reg. 45,273, Aug. 5, 2005), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) ("IEEPA"). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.



Commerce licenses required by Section 742.2(a)(3) of the Regulations. In so doing, Ingersoll-Rand committed 28 violations of Section 764.2(a) of the Regulations.

Charges 29-56 15 C.F.R. § 764.2(e) - Acting with Knowledge of a Violation

As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on 28 occasions, between on or about December 16, 2000 and on or about December 13, 2002, in connection with the transactions described in Charges 1-28, above, Ingersoll-Rand violated the Regulations by selling, transferring, and/or forwarding the diaphragm pumps, which were subject to the Regulations, to China, India, Israel, Russia, and Taiwan with knowledge that violations of the Regulations were occurring in connection with the items. Specifically, Ingersoll-Rand sold, transferred, and/or forwarded the items described above with knowledge or reason to know that a license was required for their export and that no licenses would be obtained. Ingersoll-Rand and its IR ARO Fluid Products division were familiar with the Regulations. In June 1997, BIS officials conducted outreach to the division and were told by its Supervisor for International Customer Service that she and the division were familiar with the Regulations. In November 2000, BIS officials again visited the division to discuss its exports of diaphragm pumps. The division's Supervisor for International Customer Service informed BIS that she believed the pumps were exported under license exception "NLR" (no license required). BIS officials recommended to her that the division should obtain a commodity classification for the diaphragm pumps, and provided her with a pamphlet on procedures for obtaining a commodity classification. Ingersoll-Rand did not submit a commodity classification request, continued to export the diaphragm pumps under "NLR," and did not obtain the required Department of Commerce licenses. In so doing, Ingersoll-Rand committed 28 violations of Section 764.2(e) of the Regulations.

Charges 57-80 15 C.F.R. § 764.2(g) - Misrepresentation of Facts through False Statement on Shipper's Export Declarations

As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on 24 occasions between on or about December 16, 2001 and on or about December 13, 2002, in connection with the transactions described in Charges 1, 3-5, and 8-27, above, Ingersoll-Rand made false statements to the U.S. Government in connection with the submission of export control documents. Specifically, Ingersoll-Rand filed Shipper's Export Declarations ("SEDs") with the U.S. Government stating that the items that were the subject of the SEDs qualified for export as "NLR," i.e., that no license was required. These representations were false, as licenses were required for the diaphragm pumps included in the shipments. SEDs are export control documents, as defined in Part 772 of the Regulations. In filing SEDs containing false statements of fact, Ingersoll-Rand committed 24 violations of Section 764.2(g) of the Regulations.

* * * * *

Accordingly, Ingersoll-Rand 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 Ingersoll-Rand 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. 15 C.F.R. §§ 766.6 and 766.7 (2006). If Ingersoll-Rand defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Ingersoll-Rand. 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.

Ingersoll-Rand 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. 15 C.F.R. § 766.6 (2006). Ingersoll-Rand 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. 15 C.F.R. § 766.18 (2006). Should Ingersoll-Rand have a proposal to settle this case, Ingersoll-Rand or its representative should transmit it through 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, Ingersoll-Rand'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

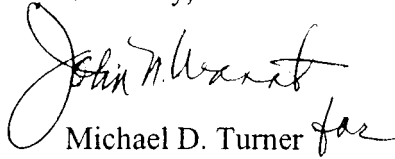
In addition, a copy of Ingersoll-Rand's answer must be served on BIS at the following address:

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

³ See 15 C.F.R. § 6.4(a)(1) (2000-2002).

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

Sincerely,

A handwritten signature in cursive script that reads "John N. Warrat". The signature is written in black ink and is positioned above the typed name of Michael D. Turner.

Michael D. Turner *for*
Director
Office of Export Enforcement

Enclosure

Charge Nos.	Violation Date	Destination	Commodity Exported (All ECCN 2B350)	Invoice No.	Violations Charged
1, 29, 57	16-Dec-00	Taiwan	5 Diaphragm Pumps, Model No. 6661A4-444-C	3306419	15 C.F.R. §§ 764.2(a), (e), (g)
2, 30	5-Jan-01	China	1 Diaphragm Pump, Model No. 6661A4-444-C	9566179	15 C.F.R. §§ 764.2(a), (e)
3, 31, 58	29-Mar-01	Israel	2 Diaphragm Pumps, Model No. 66605K-444	1534712	15 C.F.R. §§ 764.2(a), (e), (g)
4, 32, 59	11-Apr-01	China	5 Diaphragm Pumps, Model No. 666057-444	9576324	15 C.F.R. §§ 764.2(a), (e), (g)
5, 33, 60	18-May-01	China	1 Diaphragm Pump, Model No. 6661B4-444-C	9579838	15 C.F.R. §§ 764.2(a), (e), (g)
6, 34	23-Sep-01	India	1 Diaphragm Pump, Model No. 66605K-444	9590884	15 C.F.R. §§ 764.2(a), (e)
7, 35	16-Sep-01	India	1 Diaphragm Pump, Model No. 6661A4-444-C	9590998	15 C.F.R. §§ 764.2(a), (e)
8, 36, 61	26-Nov-01	China	1 Diaphragm Pump, Model No. 6661A4-444-C	9597738	15 C.F.R. §§ 764.2(a), (e), (g)
			1 Diaphragm Pump, Model No. 6661B4-444-C		
9, 37, 62	30-Nov-01	China	1 Diaphragm Pump, Model No. 6661A4-444-C	9598628	15 C.F.R. §§ 764.2(a), (e), (g)
			1 Diaphragm Pump, Model No. 6661B4-444-C		
10, 38, 63	2-Jan-02	Taiwan	1 Diaphragm Pump, Model No. 6662A4-444-C	3308308	15 C.F.R. §§ 764.2(a), (e), (g)
11, 39, 64	7-Feb-02	Taiwan	2 Diaphragm Pumps, Model No. 66605K-444	3308463	15 C.F.R. §§ 764.2(a), (e), (g)
12, 40, 65	22-Feb-02	Taiwan	1 Diaphragm Pump, Model No. PD02P-AKS-KTT	3308536	15 C.F.R. §§ 764.2(a), (e), (g)
			4 Diaphragm Pumps, Model No. 661T4-444-C		
13, 41, 66	6-Mar-02	China	2 Diaphragm Pumps, Model No. 6661A4-444-C	9607334	15 C.F.R. §§ 764.2(a), (e), (g)
14, 42, 67	22-Mar-02	China	3 Diaphragm Pumps, Model No. 6661A4-444-C	9607747	15 C.F.R. §§ 764.2(a), (e), (g)
15, 43, 68	30-Apr-02	China	1 Diaphragm Pump, Model No. 6661T4-444-C	9612520	15 C.F.R. §§ 764.2(a), (e), (g)

Charge Nos.	Violation Date	Destination	Commodity Exported (All ECCN 2B350)	Invoice No.	Violations Charged
16, 44, 69	9-May-02	Taiwan	2 Diaphragm Pumps, Model No. 6661T4-444-C	3308918	15 C.F.R. §§ 764.2(a), (e), (g)
			3 Diaphragm Pumps, Model No. 666057-444		
17, 45, 70	30-Jun-02	India	3 Diaphragm Pumps, Model No. 66605K-444	9616700	15 C.F.R. §§ 764.2(a), (e), (g)
18, 46, 71	15-Jul-02	Taiwan	1 Diaphragm Pump, Model No. 6662A4-444-C	3309234	15 C.F.R. §§ 764.2(a), (e), (g)
			2 Diaphragm Pumps, Model No. 6661A4-444-C		
			4 Diaphragm Pumps, Model No. 66605K-444		
19, 47, 72	4-Aug-02	India	1 Diaphragm Pump, Model No. 66605K-444	9618578	15 C.F.R. §§ 764.2(a), (e), (g)
20, 48, 73	7-Aug-02	Taiwan	1 Diaphragm Pump, Model No. 6662A4-444-C	3309421	15 C.F.R. §§ 764.2(a), (e), (g)
21, 49, 74	23-Aug-02	Taiwan	5 Diaphragm Pumps, Model No. 666057-444	3309506	15 C.F.R. §§ 764.2(a), (e), (g)
22, 50, 75	18-Oct-02	Taiwan	3 Diaphragm Pumps, Model No. 6661A4-444-C	3309844	15 C.F.R. §§ 764.2(a), (e), (g)
23, 51, 76	23-Oct-02	China	1 Diaphragm Pump, Model No. 6661A4-444-C	3309869	15 C.F.R. §§ 764.2(a), (e), (g)
24, 52, 77	27-Oct-02	India	3 Diaphragm Pumps, Model No. 66605K-444	9622232	15 C.F.R. §§ 764.2(a), (e), (g)
25, 53, 78	6-Nov-02	China	2 Diaphragm Pumps, Model No. 6661T4-444-C	9623369	15 C.F.R. §§ 764.2(a), (e), (g)
26, 54, 79	7-Nov-02	Taiwan	5 Diaphragm Pumps, Model No. 66605K-444	3309980	15 C.F.R. §§ 764.2(a), (e), (g)
27, 55, 80	15-Nov-02	China	1 Diaphragm Pump, Model No. 6661T4-444-C	9623851	15 C.F.R. §§ 764.2(a), (e), (g)
28, 56	13-Dec-02	Russia	2 Diaphragm Pumps, Model No. 6661A4-444-C	9625217	15 C.F.R. §§ 764.2(a), (e)

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

In the Matter of:)	
)	
Ingersoll-Rand Co., Ltd.)	Docket. No: 06-BIS-11
200 Chestnut Ridge Road)	
Woodcliff Lake, NJ 07677)	
)	
Respondent)	

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Ingersoll-Rand Company¹ ("Ingersoll-Rand") and the Bureau of Industry and Security, U.S. Department of Commerce ("BIS") (collectively referred to as the "Parties"), pursuant to Section 766.18(b) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (the "Regulations"),² issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the "Act"),³

¹Although the charging letter issued in this matter named Ingersoll-Rand Co., Ltd. ("IRCL") as the Respondent, the legal entity alleged to have engaged in the violations detailed therein is IRCL's wholly-owned subsidiary, Ingersoll-Rand Company, acting through its ARO Fluid Products Division. ICRL is not a party to this Settlement Agreement and is not alleged to have had any involvement in the alleged activities described in the charging letter.

² The violations charged occurred during 2000, 2001 and 2002. The Regulations governing the violations at issue are found in the 2000, 2001, and 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2002)). The 2006 Regulations establish the procedures that apply to this matter.

³ 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 2, 2005 (70 Fed. Reg. 45,273, Aug. 5, 2005), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) ("IEEPA"). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.

WHEREAS, BIS has initiated an administrative proceeding against Ingersoll-Rand, pursuant to the Act and the Regulations;

WHEREAS, Ingersoll-Rand, on behalf of its Bryan, Ohio IR ARO Fluid Products Division, 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 issued a charging letter to Ingersoll-Rand that alleged that Ingersoll-Rand committed 80 violations of the Regulations, specifically:

1. *28 Violations of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Diaphragm Pumps Without the Required License:* Between on or about December 16, 2000 and on or about December 13, 2002, Ingersoll-Rand, through its IR ARO Fluid Products Division, engaged in conduct prohibited by the Regulations by exporting diaphragm pumps, items classified under Export Control Classification Number ("ECCN") 2B350 and controlled for reasons of chemical and biological weapons proliferation, to India, Israel, the People's Republic of China ("China"), the Republic of China ("Taiwan"), and Russia without the Department of Commerce licenses required by Section 742.2(a)(3) of the Regulations.
2. *28 Violations of 15 C.F.R. § 764.2(e) - Acting with Knowledge of a Violation:* Between on or about December 16, 2000 and on or about December 13, 2002, in connection with the transactions described in Charges 1-28, above, Ingersoll-Rand, through its IR ARO Fluid Products Division, violated the Regulations by selling, transferring, and/or forwarding the diaphragm pumps, which were subject to the Regulations, to China, India, Israel, Russia, and Taiwan with knowledge

that violations of the Regulations were occurring in connection with the items. Specifically, Ingersoll-Rand sold, transferred, and/or forwarded the items described above with knowledge or reason to know that a license was required for their export and that no licenses would be obtained. Ingersoll-Rand and its IR ARO Fluid Products Division were familiar with the Regulations. In June 1997, BIS officials conducted outreach to the division and were told by its Supervisor for International Customer Service that she and the division were familiar with the Regulations. In November 2000, BIS officials again visited the division to discuss its exports of diaphragm pumps. The division's Supervisor for International Customer Service informed BIS that she believed the pumps were exported under license exception "NLR" (no license required). BIS officials recommended to her that the division should obtain a commodity classification for the diaphragm pumps, and provided her with a pamphlet on procedures for obtaining a commodity classification. Ingersoll-Rand did not submit a commodity classification request, continued to export the diaphragm pumps under "NLR," and did not obtain the required Department of Commerce licenses.

3. *24 Violations of 15 C.F.R. § 764.2(g) - Misrepresentation of Facts through False Statement on Shipper's Export Declarations:* Between on or about December 16, 2001 and on or about December 13, 2002, in connection with the transactions described in Charges 1, 3-5, and 8-27, above, Ingersoll-Rand, through its IR ARO Fluid Products Division, made false statements to the U.S. Government in connection with the submission of export control documents. Specifically, Ingersoll-Rand filed Shipper's Export Declarations ("SEDs") with the U.S.

Government stating that the items that were the subject of the SEDs qualified for export as "NLR," i.e., that no license was required. These representations were false, as licenses were required for the diaphragm pumps included in the shipments. SEDs are export control documents, as defined in Part 772 of the Regulations.

WHEREAS, Ingersoll-Rand has reviewed the 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, Ingersoll-Rand 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, Ingersoll-Rand enters into this Agreement voluntarily and with full knowledge of its rights;

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

WHEREAS, Ingersoll-Rand neither admits nor denies the allegations contained in the charging letter;

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

WHEREAS, Ingersoll-Rand agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Ingersoll-Rand, under the Regulations, in connection with the matters alleged in the charging letter.

2. The following sanction shall be imposed against Ingersoll-Rand in complete settlement of the violation of the Regulations relating to the transaction specifically detailed in the charging letter and the voluntary self-disclosure:

- a. Ingersoll-Rand shall be assessed a civil penalty in the amount of \$680,000, 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 Ingersoll-Rand. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Ingersoll-Rand'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, Ingersoll-Rand 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 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 \$680,000 civil penalty, BIS will not initiate any further administrative proceeding against Ingersoll-Rand in connection with any violation of the Act or the Regulations arising out of the transactions identified in the charging

letter and the voluntary self-disclosure.

5. BIS will make the charging letter, this Agreement, and the Order, if entered, and the record of the case as described in Section 766.20 of the Regulations 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(b) 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.

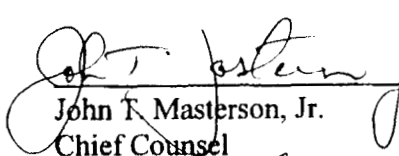
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department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

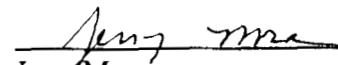
8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

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

INGERSOLL-RAND COMPANY


John T. Masterson, Jr.
Chief Counsel


Jerry Moran
Assistant Secretary

Date: 5/10/06

Date: May 5, 2006

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

_____)	
In the Matter of:)	
)	
Ingersoll-Rand Co., Ltd.)	Docket. No: 06-BIS-11
200 Chestnut Ridge Road)	
Woodcliff Lake, NJ 07677)	
)	
Respondent)	
_____)	

ORDER RELATING TO INGERSOLL-RAND CO., LTD.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has initiated an administrative proceeding against Ingersoll-Rand Co., Ltd.¹, pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (the “Regulations”),² and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),³ through issuance of a charging letter to

¹ Although the charging letter in this matter named Ingersoll-Rand Co., Ltd. (“IRCL”) as the Respondent, the legal entity alleged to have engaged in the violations detailed therein is IRCL’s wholly-owned subsidiary, Ingersoll-Rand Company, acting through its ARO Fluid Products Division. IRCL was not a party to the Settlement Agreement in this case and is not alleged to have had any involvement in the alleged activities described in the charging letter. The Settlement Agreement was signed by an authorized employee of Ingersoll-Rand Company.

² The violations charged occurred during 2000, 2001 and 2002. The Regulations governing the violations at issue are found in the 2000, 2001, and 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2002)). The 2006 Regulations establish the procedures that apply to this matter.

³ 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 2, 2005 (70 Fed. Reg. 45,273, Aug. 5, 2005), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.

Ingersoll-Rand Co., Ltd. that alleged that Ingersoll-Rand Company (“Ingersoll-Rand”), through its Bryan, Ohio IR ARO Fluid Products Division, committed 80 violations of the Regulations.

Specifically, the charges are:

1. *28 Violations of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Diaphragm Pumps Without the Required License:* Between on or about December 16, 2000 and on or about December 13, 2002, Ingersoll-Rand, through its IR ARO Fluid Products Division, engaged in conduct prohibited by the Regulations by exporting diaphragm pumps, items classified under Export Control Classification Number (“ECCN”) 2B350 and controlled for reasons of chemical and biological weapons proliferation, to India, Israel, the People’s Republic of China (“China”), the Republic of China (“Taiwan”), and Russia without the Department of Commerce licenses required by Section 742.2(a)(3) of the Regulations.
2. *28 Violations of 15 C.F.R. § 764.2(e) - Acting with Knowledge of a Violation:* Between on or about December 16, 2000 and on or about December 13, 2002, in connection with the transactions described in Charges 1-28, above, Ingersoll-Rand, through its IR ARO Fluid Products Division, violated the Regulations by selling, transferring, and/or forwarding the diaphragm pumps, which were subject to the Regulations, to China, India, Israel, Russia, and Taiwan with knowledge that violations of the Regulations were occurring in connection with the items. Specifically, Ingersoll-Rand sold, transferred, and/or forwarded the items described above with knowledge or reason to know that a license was required for their export and that no licenses would be obtained. Ingersoll-Rand and its IR ARO Fluid Products Division were familiar with the Regulations. In June 1997,

BIS officials conducted outreach to the division and were told by its Supervisor for International Customer Service that she and the division were familiar with the Regulations. In November 2000, BIS officials again visited the division to discuss its exports of diaphragm pumps. The division's Supervisor for International Customer Service informed BIS that she believed the pumps were exported under license exception "NLR" (no license required). BIS officials recommended to her that the division should obtain a commodity classification for the diaphragm pumps, and provided her with a pamphlet on procedures for obtaining a commodity classification. Ingersoll-Rand did not submit a commodity classification request, continued to export the diaphragm pumps under "NLR," and did not obtain the required Department of Commerce licenses.

3. *24 Violations of 15 C.F.R. § 764.2(g) - Misrepresentation of Facts through False Statement on Shipper's Export Declarations:* Between on or about December 16, 2001 and on or about December 13, 2002, in connection with the transactions described in Charges 1, 3-5, and 8-27, above, Ingersoll-Rand, through its IR ARO Fluid Products Division, made false statements to the U.S. Government in connection with the submission of export control documents. Specifically, Ingersoll-Rand filed Shipper's Export Declarations ("SEDs") with the U.S. Government stating that the items that were the subject of the SEDs qualified for export as "NLR," i.e., that no license was required. These representations were false, as licenses were required for the diaphragm pumps included in the shipments. SEDs are export control documents, as defined in Part 772 of the Regulations.

WHEREAS, BIS and Ingersoll-Rand Company have entered into a Settlement Agreement pursuant to Section 766.18(b) 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 \$680,000 is assessed against Ingersoll-Rand, 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.

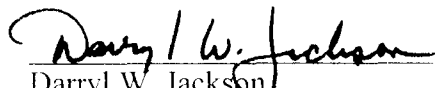
SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Ingersoll-Rand will be assessed, 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 Ingersoll-Rand. Accordingly, if Ingersoll-Rand should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Ingersoll-Rand's export privileges for a period of one year from the date of entry of this Order.

FOURTH, that the charging letter, the Settlement Agreement, this Order, and the record of this case as defined by Section 766.20 of the Regulations shall be made available to the public.

FIFTH, that the administrative law judge shall be notified that this case is withdrawn from adjudication.

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 12th day of May 2006.
Order
Ingersoll-Rand
Page 4 of 4