

UNITED STATES DEPARTMENT OF STATE
BUREAU OF POLITICAL-MILITARY AFFAIRS
WASHINGTON, D.C. 20520

In the Matter of:

FUCHS ELECTRONICS, PTY. LTD
Gauteng, Republic of South Africa

Respondent

ORDER

Whereas, the Office of Defense Trade Controls, Bureau of Political-Military Affairs, United States Department of State (the "Department"), has determined to initiate an administrative proceeding against Fuchs Electronics, Pty. Ltd. ("Fuchs") pursuant to the Arms Export Control Act (the Act) (22 U.S.C. §2778(e)) and its implementing regulations, the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130) (the "Regulations");

Whereas, such administrative proceeding would be based on allegations as set forth in the proposed Charging Letter that Fuchs Electronics, Pty. Ltd. violated provisions of the Act and Regulations by knowingly and willfully exporting, and aiding and abetting, in the exportation from the United States to the Republic of South Africa during 1986 to 1988, of 120,000 PS-115 power supplies for proximity fuzes, without the prior written approval of the Department;

Whereas, the Department and Fuchs Electronics, Pty. Ltd. have entered into a Consent Agreement (the "Consent Agreement") in accordance with Section 128.11 of the Regulations whereby the parties have agreed to settle this matter;

Whereas, pursuant to the Consent Agreement, Fuchs has agreed to establish and implement a Compliance Program in accordance with the terms of the Consent Agreement and further, it has agreed to make available \$5.5 million to the South African Government for a program to be established and administered by the South African Government to support the effective implementation of its national export control regime;

Having reviewed and approved the Consent Agreement;

IT IS THEREFORE ORDERED:

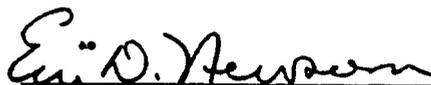
FIRST, the Department rescinds the policy described in Public Notice 2027, published in the Federal Register on June 30, 1994 (59 FR 33811), regarding denial of export license applications and other requests for approval under the Act with respect to Fuchs Electronics, Pty, Ltd.;

SECOND, Fuchs Electronics, Pty. Ltd; each of its operating divisions and subsidiaries as described in Annex A to the Consent Agreement (and any updates to that Annex A); and any successors or assignees of such entities (referred to collectively hereinafter as "Fuchs"); are prohibited from participating directly or indirectly in the export from the United States of defense articles or services for which a license or approval is required from the Department under the Act and Regulations. Upon Fuchs' establishment and demonstration that the Compliance Program described in Section 6 of the Consent Agreement is being implemented, including completion of the written manual, the Department shall suspend the statutory debarment of Fuchs and Fuch's export privileges shall be reinstated;

THIRD, if the Department determines as provided in Section 7 of the Consent Agreement that the Compliance Program is not being fully adhered to or that the Consent Agreement is not otherwise being complied with, Fuchs shall pay the Department a civil penalty in the amount of \$5.5 million (five million, five hundred thousand US dollars) (this sum being in addition to that made available by Fuchs to the South African Government);

FOURTH, that the proposed Charging Letter, the Consent Agreement and this Order shall be made available to the public.

This Order becomes effective on the date of entry of the guilty pleas by Fuchs to a criminal indictment returned on October 30, 1991, in the Eastern District of Pennsylvania Criminal Number 91-602, arising out of Grand Jury Matter Number 88-550.



Eric D. Newsom
Acting Assistant Secretary for
Political-Military Affairs

Entered this 24 day of January, 1997