

UNITED STATES DEPARTMENT OF STATE
BUREAU OF POLITICAL-MILITARY AFFAIRS
WASHINGTON, DC 20520

_____)
In the Matter of:)
)
Interturbine Aviation Logistics GmbH)
 &)
Interturbine Aviation Logistics GmbH, LLC)
)
Respondents)
_____)

ORDER

WHEREAS, the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, United States Department of State (“Department”), has notified Interturbine Aviation Logistics GmbH and Interturbine Aviation Logistics GmbH, LLC (“Respondents”) of its intention to initiate an administrative proceeding against it pursuant to section 38(e) of the Arms Export Control Act, as amended, (“AECA”) (22 U.S.C. 2778(e)), and its implementing regulations, the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130) (“ITAR”);

WHEREAS, the proposed charges are based on allegations that the Respondent violated section 38 of the AECA and section 127 of the ITAR as set forth in the Proposed Charging Letter, attached hereto and incorporated by reference herein in connection with the unauthorized export of defense articles and the unauthorized provision of defense services;

WHEREAS, pursuant to section 128.11 of the ITAR, the Department and the Respondent have entered into a Consent Agreement attached hereto and incorporated by reference herein, whereby the Department and the Respondent have agreed to settle this matter in accordance with the terms and conditions set forth therein;

IT IS THEREFOR ORDERED:

FIRST, that the Respondent shall pay in fines and in remedial compliance measures an aggregate civil penalty of one million dollars (\$1,000,000) as stipulated below, in complete settlement of the civil violations set forth in the Department's Proposed Charging Letter;

SECOND, of the aforementioned aggregate civil penalty, fifty thousand dollars (\$50,000) shall be paid to the Department within fifteen (15) days of the date of this Order and fifty thousand dollars shall be paid to the Department by the Respondent on or before the first anniversary of the signing of the Order. The payment is to be made by cashiers or certified check payable to the Department of State;

THIRD, aggregate penalties of \$900,000 dollars (\$900,000) are hereby assessed, but this amount will be suspended in accordance with the following:

- 1) Four hundred thousand dollars (\$400,000) will be suspended on the condition that neither of the Respondents violate the terms of the Consent Agreement or the ITAR, and do not seek reinstatement of their registration with DTCC or enter into any transactions involving ITAR-controlled hardware or technical data for the two (2) year term of this Consent Agreement.
- 2) Should Respondents decide to seek reinstatement and renew their DDTC registration during the two (2) year term of this Consent Agreement, Respondents will apply four hundred thousand dollars (\$400,000) to remedial compliance measures agreed to by DTCC.
- 3) Five hundred thousand dollars (\$500,000) will be suspended on the condition that Respondents have already implemented pre-Consent Agreement remedial compliance measures equivalent to this amount. These implemented compliance measures will include, but not be limited to, preventing Respondents' from ordering and/or supplying for export ITAR controlled articles.

FOURTH, the Department recognizes that the Respondent agrees to waive its rights to raise the defense of Statute of Limitations with regard to the collection of the civil penalty imposed by the Consent Agreement and this Order, and that the Statute of Limitations shall be tolled until the last payment is made and all terms of the Consent Agreement are satisfied;

FIFTH, any failure to apply funds appropriately for the required purpose, or to provide a satisfactory accounting shall result in a lifting of the suspension, in which case the Respondents shall be required to pay immediately to the Department the amount of the suspended portion of the penalty, less any amounts the Department deems to have been properly applied and accounted for expenditures in compliance with this Consent Agreement;

SIXTH, that the Respondent shall comply with the compliance measures and its obligations under the provisions of the Consent Agreement and shall do so within the deadlines established therein;

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

This Order becomes effective on the day it is signed.



Andrew J. Shapiro
Assistant Secretary for
Political-Military Affairs
U.S. Department of State

Entered this 4 day of January 2010