

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

In the Matter of:)
Motorola, Incorporated)
Respondent)
_____)

ORDER

WHEREAS, the Office of Defense Trade Controls, Bureau of Political Military Affairs, United States Department of State (the "Department"), has notified Motorola, Incorporated ("Motorola") of its intention to initiate an administrative proceeding against it pursuant to the Arms Export Control Act (the "Act") (22 C.F.R. § 2778 (e)) and its implementing regulations, the International Traffic in Arms Regulations (22 C.F.R. § 120-130) (the "Regulations"), based on allegations that Motorola violated Section 38 of the Act (22 U.S.C. § 2778) and § 127 of the Regulations as set forth in a proposed Charging Letter, attached hereto and incorporated by reference herein; and

WHEREAS, the Department and Motorola have entered into a Consent Agreement pursuant to Section 128.11 of the Regulations whereby the Department and Motorola have agreed to settle this matter in accordance with the terms and conditions set forth therein;

IT IS THEREFORE ORDERED,

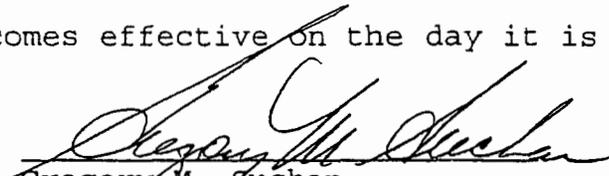
FIRST, that Motorola shall pay to the Department a civil penalty of \$600,000 (six hundred thousand dollars) by cashier's check or certified check made payable to the Department of State within 10 days of the signing of the Order.

SECOND, that Motorola is assessed an additional penalty of \$150,000 (one hundred fifty thousand dollars) which shall be suspended. This additional penalty represents an amount Motorola will apply to offset the costs associated with implementation over a three-year period of the compliance measures specified in the Consent Agreement. Costs of such measures previously undertaken pursuant to Motorola's voluntary disclosure of the facts underlying the Consent Agreement may also be credited as an offset to this penalty. Motorola will provide to the Department each year on the anniversary of this Order a written accounting of the expenditures associated with this additional penalty, and failure to use these funds appropriately shall result in a lifting of the suspension, in which case Motorola shall be required to pay this amount to the Department of State.

THIRD, Motorola shall institute the compliance measures specified in the Consent Agreement, and shall do so within the deadlines established therein.

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 day it is signed.


Gregory M. Suchan
Acting Assistant Secretary for
Political-Military Affairs
Department of State

Entered this 3rd day of May, 2001