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DEPARTMENT OF STATE

Washington D.C. 20520

MUNITIONS CONTROL NEWSLETTER

NO. 97
10/82

CONSENT ORDER - The U.S. Attorney's Office for the Eastern District of Virginia, in coordination with the Department, has obtained a consent order for a fine under the appropriate provisions of the International Traffic in Arms Regulations. The order is reproduced below for your information.

William B. Robinson
William B. Robinson, Director
Office of Munitions Control

OFFICE OF THE DIRECTOR
BUREAU OF POLITICO-MILITARY AFFAIRS
DEPARTMENT OF STATE
WASHINGTON, D.C.

September 30, 1982

In the Matter of

APPLIED SYSTEMS CORPORATION)
Vienna, Virginia)

Respondent).

The U.S. Attorney's Office for the Eastern District of Virginia and the U.S. Customs Service have conducted an investigation relating to the sale by Applied Systems Corporation of a Cohu Model 4410/ISIT television camera containing a 4849 Intensifier Silicon-Intensifier Target (ISIT) tube to Leigh Systems, Inc., of Syracuse, New York, a U.S. subsidiary of Leigh Instruments, Ltd., of Canada (hereinafter referred to as Leigh). Delivery of the camera was made in Syracuse, N.Y., and title passed from Applied Systems Corporation to Leigh Systems, Inc., at that point.

July 4/Prohibit Order

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2.

The Cohu camera and the ISIT tube, along with the other equipment sold by Applied Systems Corporation, were exported on or about August 5, 1977, by Leigh Systems, Inc., to Canada. As part of a larger mobile security and surveillance system designed, manufactured, and assembled by Leigh, the camera was thereafter exported from Canada to Libya by Leigh without an export license from the Office of Munitions Control. Such an unauthorized export of an item on the U.S. Munitions List is prohibited pursuant to 22 U.S.C. Section 2778.

During the investigation, Applied Systems Corporation maintained that it advised Leigh of Leigh's obligations to obtain an export license in view of Leigh's expressed intent to export some or all of the items sold to several possible destinations, including Libya. Such a declaration would not have relieved Applied Systems Corporation of responsibility for the unauthorized export under the circumstances of this case.

During the investigation, the United States Attorney's Office and Applied Systems Corporation agreed that proceedings against Applied Systems Corporation should be terminated if the Department of State agreed to impose a civil penalty on Applied Systems Corporation. Applied Systems Corporation also agreed to waive any procedural or substantive rights set forth under the International Traffic in Arms Regulations relating to the imposition of civil penalties, including but not limited to the filing of charging letters, answers and demands for oral hearing, discovery, prehearing conference and hearings, proceedings before and report of Hearing Commissioner and any appeals occasioned thereby.

Upon reviewing all the facts of this case, and upon the recommendation of the U.S. Attorney's office, I have determined that a civil penalty of \$10,000 is fair, reasonable, and appropriate in this case and that it should be imposed.

Without admitting any violation of law or the regulations, Applied Systems Corporation consents to an order for the purpose of terminating the proceedings against it and its employees relating to the above referenced export and waives all the International Traffic in Arms Regulations rights referred to above.

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Therefore, pursuant to the authority delegated to me, it is

ORDERED

A civil penalty in the sum of TEN THOUSAND DOLLARS is imposed on Applied Systems Corporation, to be paid in a manner determined by the Office of Munitions Control.

I consent to this order for the Office of Munitions Control.

/S/
William B. Robinson
Director

I consent to this Order for Applied Systems Corporation.

/S/
James I. McGuire

I consent to this order for the United States Attorney's Office.

/S/
Theodore Greenberg
Assistant U.S. Attorney

This order is effective immediately.

/S/
Jonathan T. Howe
Director
Bureau of Politico-Military Affairs