

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

_____)
In the Matter of:)
)
AeroVironment, Inc.)
)
Respondent)
_____)

ORDER

WHEREAS, the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, United States Department of State (“Department”), has notified AeroVironment, Inc., including its operating divisions, subsidiaries, and business units (collectively “Respondent”) of its intention to initiate an administrative proceeding against it pursuant to section 38(e) of the Arms Export Control Act (AECA), 22 U.S.C. § 2778(e), and its implementing regulations, the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120-130;

WHEREAS, the proposed charges are based on allegations that the Respondent violated section 38 of the AECA and Part 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, to include technical data; failure to properly maintain export transaction records; and violation of the provisos, terms, and conditions of licenses and authorizations.

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 a civil penalty of one million dollars (\$1,000,000) comprised of the amounts and payable, as stipulated below, in complete settlement of the civil violations arising from facts Respondent has disclosed to the Department in its Voluntary and Directed Disclosures assigned DTCC Case Numbers identified in the Consent Agreement paragraph 21 and also summarized in the Department's Proposed Charging Letter.

SECOND, two-hundred thousand dollars (\$200,000) of this civil penalty shall be paid to the Department within ten (10) days of signing of the Order; two-hundred thousand dollars (\$200,000) is to be paid within one (1) year from the date of the Order; and one-hundred thousand dollars (\$100,000) is to be paid no later than the second anniversary of the date of the Order.

THIRD, five-hundred thousand dollars (\$500,000) of this civil penalty will be assessed for remedial compliance measures as set forth in paragraph (15)(b) of the Consent Agreement and suspended on the condition that Respondent applies this amount to self-initiated, pre-Consent Agreement remedial compliance measures undertaken prior to the date of this Order and to Consent Agreement-authorized remedial compliance costs, in all instances determined as set forth in paragraph (15) of the Consent Agreement.

FOURTH, that any failure by the Respondent to apply suspended penalty funds appropriately for remedial compliance measures or provide satisfactory accounting may result (in accordance with paragraph (15) of the Consent Agreement) in the Respondent being required to pay immediately to the Department the amount specified, less credit for amounts the Department deems to have been properly applied and accounted for as expenditures in compliance with the Consent Agreement.

FIFTH, 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 all terms of the Consent Agreement are satisfied.

SIXTH, that the Respondent, and its assignees and successors, and in the event of reorganization all affected entities or units, 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.


R. Clarke Cooper
Assistant Secretary

Entered this 19 day of November 2019