

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

In the Matter of

Thales Defense & Security, Inc.

Case No. 25-02

ORDER

The Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce (“BIS”) has notified Thales Defense & Security, Inc. (“Thales”),¹ of its intention to initiate an administrative proceeding pursuant to Section 766.3 of the Export Administration Regulations (“EAR” or the “Regulations”),² against Thales through the issuance of a Proposed Charging Letter to Thales (a copy of which is attached hereto and incorporated by

¹As set forth in the Proposed Charging Letter, Thales is a U.S. person, specifically, a domestic concern, under part 760 of the EAR. See Section 760.1 (Definitions).

² The Regulations are currently codified at 15 C.F.R. parts 730-774 (2025). The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“the EAA”).

On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). The Anti-Boycott Act of 2018 is codified as Subchapter II of ECRA. The substantive antiboycott provisions of the EAR are set forth in part 760 of the EAR. Recordkeeping requirements related to part 760 are set forth in part 762 of the EAR. Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

reference)³ that alleges that Thales committed three violations of the Regulations.

WHEREAS, BIS and Thales have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations, whereby they have agreed to settle this matter in accordance with the terms and conditions set forth therein;

WHEREAS, Thales admits committing the alleged conduct described in the Proposed Charging Letter; and;

WHEREAS, I have approved the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, that Thales shall be assessed a civil penalty in the amount of \$ 44,750, the payment of which shall be made to the U.S. Department of Commerce within 30 days from the date of entry of this Order.

SECOND, that pursuant to the Debt Collections Act of 1982, as amended (31 U.S.C. §§3701 – 3720E (2012)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and if payment is not made by the due date specified herein, Thales shall be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

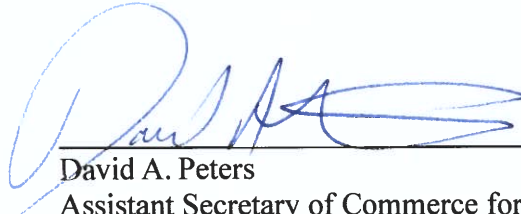
THIRD, that the full and timely payment of the civil penalty in accordance with the payment

³ The violations alleged occurred during the year 2019. The Regulations governing the violations at issue are found in the 2019 version of the Code of Federal Regulations (15 C.F.R. parts 730-774 (2019)). The 2025 Regulations govern the procedural aspects of this matter.

schedule set forth above is hereby made a condition to the granting, restoration or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Thales. Accordingly, should Thales fail to pay the civil penalty in a full and timely manner the undersigned may issue an order denying all of Thales's export privileges under the Regulations for a period of one year from the date of failure to make such payment.

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

This Order, which constitutes the final agency action in this matter, is effective immediately.



David A. Peters
Assistant Secretary of Commerce for Export
Enforcement

Entered this 13th day of April, 2026

Attachments

NOTICE

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty. It also specifies the amount owed and the date by which payment of the civil penalty is due and payable.

Under the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E) and the Federal Claims Collection Standards (31 C.F.R. Parts 900-904 (2025)), interest accrues on any and all civil monetary penalties owed and unpaid under the Order, from the date of the Order until paid in full. The rate of interest assessed respondent is the rate of the current value of funds to the U.S. Treasury on the date that the Order was entered. However, interest is waived on any portion paid within 30 days of the date of the Order. See 31 U.S.C.A. § 3717 and 31 C.F.R. § 901.9.

The civil monetary penalty will be delinquent if not paid by the due date specified in the Order. If the penalty becomes delinquent, interest will continue to accrue on the balance remaining due and unpaid, and respondent will also be assessed both an administrative charge to cover the cost of processing and handling the delinquent claim and a penalty charge of six percent per year. However, although the penalty charge will be computed from the date that the civil penalty becomes delinquent, it will be assessed only on sums due and unpaid for over 90 days after that date. See 31 U.S.C.A. § 3717 and 31 C.F.R. § 901.9.

The foregoing constitutes the initial written notice and demand to respondent in accordance with section 901.2(b) of the Federal Claims Collection Standards (31 C.F.R. § 901.2(b)).

Payment instructions:

INSTRUCTIONS FOR PAYMENT OF CIVIL PENALTY

1.The civil penalty check should be made payable to:

U.S. Department of Commerce/BIS

2.The check should be mailed to:

U.S. Department of Commerce
Bureau of Industry and Security
Room H-6622
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

ATTN: Makayla Thompson

Payments may also be made electronically via FedWire, Automated Clearing House (ACH), and pay.gov.

Guidance for payment via FedWire, ACH, and pay.gov is attached.

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

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In the Matter of))
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Thales Defense & Security, Inc.))
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_____))

Case No. 25-02

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Thales Defense & Security, Inc. (“Thales”)¹ and the Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce (“BIS”) (together, the “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (“EAR” or “Regulations”).²

¹ As set forth in the Proposed Charging Letter, Thales is a U.S. person, specifically, a domestic concern, under part 760 of the EAR. See Section 760.1 (Definitions).

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2025). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801- 4852 (“ECRA”). The Anti-Boycott Act of 2018 is codified as Subchapter II of ECRA. The substantive antiboycott provisions of the EAR are set forth in part 760 of the EAR. Recordkeeping requirements related to part 760 are set forth in part 762 of the EAR.

Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

WHEREAS, Thales has filed a voluntary self-disclosure with BIS in accordance with Section 764.8 of the Regulations concerning the transactions at issue herein;

WHEREAS, BIS has notified Thales of its intention to initiate an administrative proceeding against Thales pursuant to the Regulations;

WHEREAS, BIS has issued to Thales a Proposed Charging Letter (a copy of which is attached hereto and incorporated herein by reference);³ that alleges that Thales committed three violations of the Regulations;

WHEREAS, Thales has reviewed the Proposed Charging Letter and is aware of the allegations made against it and the administrative sanctions that could be imposed against it if the allegations are found to be true;

WHEREAS, Thales fully understands the terms of this Agreement and the Order (“Order”) that the Assistant Secretary of Commerce for Export Enforcement, or appropriate designee, will issue if he approves this Agreement as the final resolution of this matter;

WHEREAS, Thales enters into this Agreement voluntarily and with full knowledge of its rights, after having consulted with counsel;

WHEREAS, Thales states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

³ The violations alleged occurred during the year 2019. The Regulations governing the violations at issue are found in the 2019 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2019)). The 2025 Regulations govern the procedural aspects of this matter.

WHEREAS, Thales admits committing the alleged conduct described in the Proposed Charging Letter; and

WHEREAS, Thales agrees to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree, for purposes of this Agreement, as follows:

1. BIS has jurisdiction over Thales, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. The following sanctions shall be imposed against Thales:
 - a. Thales shall be assessed a civil penalty in the amount of \$ 44,750, the payment of which shall be made to the U. S. Department of Commerce within 30 days from the date of entry of the Order, and in accordance with the terms of the Order. Payment shall be made in the manner specified in the attached instructions.
 - b. The full and timely payment of the civil penalty agreed to in Paragraph 2.a above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Thales. Failure to make full and timely payment of the civil penalty may result in the denial of all of Thales's export privileges under the Regulations for a period of one year from the date of the failure to make such payment.

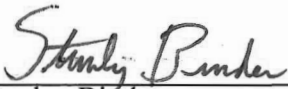
3. Subject to the approval of this Agreement pursuant to paragraph 7 hereof, Thales hereby waives all rights to further procedural steps in this matter including, without limitation, any right to:
 - a. an administrative hearing regarding the allegations in the Proposed Charging Letter;
 - b. request a refund of any civil penalty paid pursuant to this Agreement and the Order, if issued; and
 - c. seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued. Thales also waives and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, in connection with any violation of the Anti-Boycott Act of 2018 or the Regulations arising out of the transactions identified in the Proposed Charging Letter, or in connection with collection of the civil penalty, or enforcement of this Agreement and the Order, if issued, from the date of the Order, until Thales pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement.

4. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a above, BIS will not initiate any further administrative proceeding against Thales in connection with any violation of the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

5. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order not entered by the Assistant Secretary of Commerce for Export Enforcement, or appropriate designee, pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding, and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.
6. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise alter or affect the terms of this Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U. S. Government with respect to the facts and circumstances addressed herein.
7. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement, or appropriate designee, approves it by issuing the Order, which shall have the same force and effect as a decision and order issued after a full administrative hearing on the record.
8. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, available to the public.

9. Each signatory affirms that he/she has authority to enter into this Agreement and to bind his/her respective party to the terms and conditions set forth herein.

Thales Defense & Security, Inc.



Stanley Binder
Director, Trade Compliance

DATE: 3/17/26

U.S. Department of Commerce

REGINALD DUVEL Digitally signed by REGINALD DUVEL
Date: 2026.03.18 12:22:00 -04'00'

Reginald Duvel
Acting Director
Office of Antiboycott Compliance

DATE: 3/18/2026



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Industry and Security
Washington, D.C. 20230

PROPOSED CHARGING LETTER

Thales Defense & Security, Inc.
22605 Gateway Center Drive
Clarksburg, MD 20871

Attention: Stanley Binder,
Director, Trade Compliance

Case No 25.02

Gentlemen/Ladies:

We, the Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce (“BIS”), have reason to believe that you, Thales Defense & Security, Inc. have committed three violations of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2025)) (the “Regulations”)¹.

We charge that you committed two violations of Section 760.2(d) of the Regulations, in that, with intent to comply with, further or support an unsanctioned foreign boycott, you furnished two items of information concerning your or another person's past, present or proposed business relationships with or in a boycotted country or with another person who is known or believed to be restricted from having any business relationship with or in a boycotting country.

We also charge that you committed one violation of Section 760.5 of the Regulations, in that, on one occasion, you failed to report to the Department of Commerce your receipt of a request to engage in a restrictive trade practice or boycott, as required by the Regulations.

¹ On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801- 4852 (“ECRA”). The Anti-Boycott Act of 2018 is codified as Subchapter II of ECRA. The substantive antiboycott provisions of the EAR are set forth in part 760 of the EAR. Recordkeeping requirements related to part 760 are set forth in part 762 of the EAR.

We allege that:

You, Thales Defense & Security, Inc., are, and at all times relevant were, a domestic concern organized under the laws of the United States and doing business in the State of Maryland. As such, Thales Defense & Security, Inc. is a United States person as defined by §760.1(b) of the Regulations.

During the year 2019, you engaged in a transaction involving the sale and/or transfer of goods or services (including information) from the United States to the United Arab Emirates, activities in the interstate or foreign commerce of the United States, as defined in Section 760.1(d) of the Regulations.

Charges 1 - 2 (15 C.F.R. § 760.2(d) - Furnishing Information about Business Relationships with Boycotted Countries or Blacklisted Persons)

In connection with the activity referred to above, on or about January 31, 2019, you furnished to a freight forwarder/logistics provider, two items of information, as described in Table A, which is attached and incorporated herein by this reference, concerning your or another person's past, present or proposed business relationships with or in a boycotted country or with another person who is known or believed to be restricted from having any business relationship with or in a boycotting country.

Providing the information described in Table A, with intent to comply with, further or support an unsanctioned foreign boycott, is an activity prohibited by Section 760.2(d) of the Regulations, and not excepted. We therefore charge you with two violations of Section 760.2(d).

Charge 3 (15 C.F.R. §760.5 – Failing to Report the Receipt of a Request to Engage in a Restrictive Trade Practice or Foreign Boycott Against a Country Friendly to the United States)

In connection with the activity referred to above, on or about January 31, 2019, you received a request, as described in Table B, which is attached and incorporated herein by this reference, to take an action which would have the effect of furthering or supporting a restrictive trade practice or unsanctioned foreign boycott.

Section 760.5 of the Regulations requires United States persons to report to the Department of Commerce their receipt of such requests. You failed to report to the Department of Commerce your receipt of this request.

By failing to report your receipt of this request, described in Table B, as directed by Section 760.5 of the Regulations, you are in violation of Section 760.5. We therefore charge you with one violation of Section 760.5 of the Regulations.

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions.²

You are entitled to an agency hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for one with your answer. You are entitled to be represented by counsel or other authorized representative who has power of attorney to represent you. See Sections 766.3(a) and 766.4 of the Regulations. You may also seek settlement without a hearing. See Section 766.18 of the Regulations.

Under the Small Business Regulatory Enforcement Flexibility Act, you may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter.³

If you fail to answer the allegations contained in this letter within thirty (30) days after service as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

As provided in Section 766.3 of the Regulations, we are referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between BIS and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter.

Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filed with:

U.S. Coast Guard ALJ Docketing Center
40 South Gay Street
Baltimore, Maryland 21202-4022

Attention: Administrative Law Judge

Also, in accordance with the instructions in Section 766.5(b) of the Regulations, a copy of your answer should be served on the Bureau of Industry and Security at the following address:

Office of the Chief Counsel for Industry and Security
U.S. Department of Commerce

² The potential sanctions are specified in § 1774 of the Anti-Boycott Act of 2018, codified at 50 U.S.C. § 4843.

Administrative sanctions may include any or all of the following:

- a. The maximum civil penalty allowed by law of up to the greater of \$ 374,474 per violation, or twice the value of the transaction that is the basis of the violation. This amount is subject to annual increases pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Sec. 701 of Public Law 114-74, enacted on November 2, 2015.
- b. Denial of export privileges
- c. Exclusion from practice before BIS; and/or
- d. Any other liability, sanction, or penalty available under law.

³ To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.

Room H-3839
14th Street & Constitution Avenue, NW
Washington, D.C. 20230

Parvin Huda is the attorney representing BIS in this case; any communications that you may wish to have concerning this matter should occur through her. She may be contacted via email at phuda@doc.gov.

Sincerely,

Reginald Duvel
Acting Director
Office of Antiboycott Compliance

TABLE A

Schedule of Alleged Violations of Section 760.2(d)
Furnishing Prohibited Business Information

Thales Defense & Security, Inc.
Case No. 25.02

Item	Reference: Document Furnished	Date of Furnishing	Boycotting Country	Information Furnished
1	IDEX 2019: Combined Commercial Invoice/ Packing List	01.31.19	U.A.E.	WE CERTIFY THAT NO LABOR, CAPITAL, PARTS OR RAW MATERIALS OF ISRAELI ORIGIN HAVE BEEN USED IN THE PRINTING, PUBLISHING OR MANUFACTURE OF THESE GOODS
2	IDEX 2019: Combined Commercial Invoice/ Packing List	01.31.19	U.A.E.	...NONE ARE PART OR PARENT COMPANIES OF FIRMS INCLUDED ON THE ISRAELI BOYCOTT BLACKLIST

TABLE B

Schedule of Alleged Violations of Section 760.5
FAILURE TO REPORT RECEIPT OF BOYCOTT REQUEST

Thales Defense & Security, Inc.
Case No. 25.02

Item #	Reference	Date Request Received	Date Reporting Violation*	Boycotting Country	Boycott Request
1	IDEX 2019: Combined Commercial Invoice/ Packing List	01.31.19	04.30.19	U.A.E.	...HERE IS THE LIST OF PAPERWORK REQUIRED FOR THIS SHOW. COMMERCIAL INVOICE, PLEASE SEND US IN ATTACHED EXCEL FORMAT ONLY: EVERYTHING MUST BE LISTED ON THE INVOICE.... WE CERTIFY THAT NO LABOR, CAPITAL, PARTS OR RAW MATERIALS OF ISRAELI ORIGIN HAVE BEEN USED IN THE PRINTING, PUBLISHING OR MANUFACTURE OF THESE GOODS.....NONE ARE PART OR PARENT COMPANIES OF FIRMS INCLUDED ON THE ISRAELI BOYCOTT BLACKLIST

* As provided in Section 760.5(b)(4)(i) of the Regulations, where the person receiving the request is a United States person located in the United States, each report of requests must be postmarked or electronically date-stamped by the last day of the month following the calendar quarter in which the request was received.