

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

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In the Matter of)
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Airbus DS Government Solutions, Inc)
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Case No. 23.05

ORDER

The Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce (“BIS”) has notified Airbus DS Government Solutions, Inc (“ADSGS”) of its intention to initiate an administrative proceeding pursuant to the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2024)) (the “Regulations”)¹, against ADSGS, a domestic concern, based on allegations set forth in the Proposed Charging Letter, dated January 19, 2024, that ADSGS committed three violations of the Regulations.

¹ The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“the EAA”), which lapsed on August 21, 2001. The President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, continued the Regulations in full force and effect under the International Emergency Economic Powers Act, (50 U.S.C. § 1701, *et seq.* (2012)) (“IEEPA”).

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 a subpart of ECRA. While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), 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as of ECRA’s date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

Specifically, the Proposed Charging Letter alleged:

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

In connection with activities involving the sale and/or transfer of goods or services (including information) from the United States to Kuwait, on or about November 6, 2019, ADSGS 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 its 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 ADSGS 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 activities involving the sale and/or transfer of goods or services (including information) from the United States to Kuwait, on or about November 5, 2019, ADSGS 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. ADSGS failed to report to the Department of Commerce the receipt of this request as directed by Section 760.5 of the Regulations.

By failing to report receipt of this request, described in Table B, as directed by Section 760.5 of the Regulations, ADSGS committed one violation of Section 760.5 of the Regulations.

WHEREAS, ADSGS has filed a voluntary self-disclosure with BIS's Office of Antiboycott Compliance in accordance with Section 764.8 of the Regulations concerning the transactions at issue herein;

WHEREAS, ADSGS admits that it committed the alleged conduct described in the Proposed Charging Letter and Tables A and B;

WHEREAS, BIS and ADSGS 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; and

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

IT IS THEREFORE ORDERED THAT:

FIRST, a civil penalty of \$ 44,750 shall be assessed against ADSGS and shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment of this sum shall be made in the manner specified in the attached instructions.

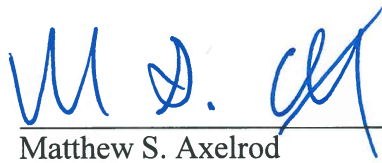
SECOND, pursuant to the Debt Collections Act of 1982, as amended (31 U.S.C. §§3701 – 3720E (2012)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice and, if payment is not made by the due date specified herein, ADSGS shall be assessed, in addition 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, ADSGS' compliance with the terms of the Settlement Agreement and this Order, as set forth above, including the full and timely payment of the civil penalty of \$ 44,750, 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 ADSGS. Accordingly, if ADSGS should fail to comply in full with the terms of the Settlement Agreement and this Order, the undersigned may issue an Order denying all of ADSGS' export privileges for a period of one

year from the date of issuance of any such denial order.

FOURTH, 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.



Matthew S. Axelrod
Assistant Secretary of Commerce for Export
Enforcement

Entered this 3rd day of June, 2024

Attachments

INSTRUCTIONS FOR PAYMENT OF SETTLEMENT AMOUNT

1. The check should be made payable to:

Bureau of Industry & Security (BIS)
(Please note on the check: **BIS-Case No. 23-05**)

2. The check can be sent to the following Treasury address for processing:

Via United States Postal Service (USPS), FedEx or UPS

NOAA/OCFO
Attn : Finance Office - Travel Dept
1315 East-West Highway, Bldg SSMC3
Silver Spring, MD 20910

Payments can also be made electronically via FedWire.
Guidance for FedWire is attached.

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 Collections Act of 1982, as amended (31 U.S.C. §§3701 – 3702E (2012)) and the Federal Claims Collection Standards (65 Fed. Reg. 70390 – 70406, November 22, 2000, to be codified at 31 C.F.R. Parts 900 – 904), 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. §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. §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 of the Federal Claims Collections Standards (31 C.F.R. §901.2(b)).



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

PROPOSED CHARGING LETTER

19 January 2024

Airbus DS Government Solutions, Inc
2920 E Plano Parkway – Suite 200
Plano, TX 75074

Attention: Chris Morris
President & CEO

Case No 23.05

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, Airbus DS Government Solutions, Inc, have committed three violations of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2023)) (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.

¹ 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 2023 Regulations govern the procedural aspects of this matter.

The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2023). The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“the EAA”), which lapsed on August 21, 2001. The President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, continued the Regulations in full force and effect under the International Emergency Economic Powers Act, 50 U.S.C. § 1701, et seq. (2012) (“IEEPA”).

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 a subpart of ECRA. While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), 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 the date of enactment of ECRA (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.



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.

We allege that:

You, Airbus DS Government Solutions, 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 Texas. As such, Airbus DS Government Solutions, 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 Kuwait, 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 November 6, 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 November 5, 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

² The alleged violations occurred subsequent to August 13, 2018, the date of enactment of the ECRA. Consequently, the potential sanctions are those provided for in ECRA.

Administrative sanctions may include any or all of the following:

- a. A maximum civil penalty of the greater of \$364,992 per violation or twice the value of the transaction that is the basis of the violation (see 15 C.F.R. § 6.3(b)(4) and § 6.4). The 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 and 84 Fed. Reg. 2,447 (February 7, 2019);
- b. Denial of export privileges (see §764.3(a)(2) of the Regulations)
- c. Exclusion from practice before BIS (see §764.3(a)(3) of the Regulations); 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/>.

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

Sincerely,

Cathleen Ryan
Director
Office of Antiboycott Compliance

Enclosures

TABLE A

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

**Airbus DS Government Solutions, Inc
Case No. 23.05**

Item	Reference: Document Furnished	Date of Furnishing	Boycotting Country	Information Furnished
1	Gulf Defense & Aerospace (GDA) 2019: Combined Commercial Invoice/ Packing List	11.06.19	Kuwait	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	Gulf Defense & Aerospace (GDA) 2019: Combined Commercial Invoice/ Packing List	11.06.19	Kuwait	...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 RECEIPTS OF BOYCOTT REQUESTS**

Airbus DS Government Solutions, Inc
Case No. 23.05

Item #	Reference	Date Request Received	Date Reporting Violation*	Boycotting Country	Boycott Request
1	Gulf Defense & Aerospace (GDA) 2019: Combined Commercial Invoice/Packing List	11.05.19	01.31.20	Kuwait	ATTACHED IS... THE CIPL TO BE COMPLETED ... 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.

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

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In the Matter of)
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Airbus DS Government Solutions, Inc)
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Case No. 23-05

SETTLEMENT AGREEMENT

This Settlement Agreement is made by and between Airbus DS Government Solutions, Inc (“ADSGS”), a domestic concern, and the Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce (“BIS”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2024)) (the “Regulations”)¹.

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2024). The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“the EAA”), which lapsed on August 21, 2001. The President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, continued the Regulations in full force and effect under the International Emergency Economic Powers Act, 50 U.S.C. § 1701, et seq. (2012) (“IEEPA”).

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 a subpart of ECRA. While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), 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, ADSGS has filed a voluntary self-disclosure with BIS's Office of Antiboycott Compliance in accordance with Section 764.8 of the Regulations concerning the transactions at issue herein;

WHEREAS, BIS has notified ADSGS of its intention to initiate an administrative proceeding against ADSGS pursuant to the Regulations by issuing the Proposed Charging Letter dated January 19, 2024, a copy of which is attached hereto and incorporated herein by this reference;²

WHEREAS, ADSGS has reviewed the Proposed Charging Letter and the terms of this Settlement Agreement and the Order ("Order") that the Assistant Secretary of Commerce for Export Enforcement will enter if he approves this Settlement Agreement as the final resolution of this matter, and understands the terms of each document;

WHEREAS, ADSGS enters into this Settlement Agreement voluntarily and with full knowledge of its rights;

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

² 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 2024 Regulations govern the procedural aspects of this matter.

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

WHEREAS, ADSGS agrees to be bound by the Order, when entered;

NOW THEREFORE, ADSGS and BIS agree as follows:

1. Under the Regulations, BIS has jurisdiction over ADSGS with respect to the matters alleged in the Proposed Charging Letter.
2. BIS will impose a civil penalty on ADSGS in the amount of \$ 44,750. ADSGS will pay 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, when entered, the amount of \$ 44,750 in complete settlement of all matters set forth in the Proposed Charging Letter.
3. Compliance with the terms of this Settlement Agreement and the Order, when entered, including the full and timely payment of the civil penalty agreed to in paragraph 2, is hereby made a condition of the granting, restoration, or continuing validity of any export license, license exception, permission or privilege granted, or to be granted, to ADSGS.
Failure to comply fully with the terms of this Settlement Agreement and the Order, when entered, may result in the denial of all of ADSGS' export

privileges for a period of one-year from the date of issuance of any such denial order.

4. Subject to the approval of this Settlement Agreement, pursuant to paragraph 8 hereof, ADSGS hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the Order, when entered) 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 by ADSGS pursuant to this Settlement Agreement and the Order, when entered; or
 - C. Seek judicial review or otherwise contest the validity of this Settlement Agreement or the Order, when entered.

ADSGS 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 Act 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 Settlement Agreement and the Order, when entered, from the date of entry of the Order until the date that ADSGS has paid in full the civil penalty as set forth in Paragraph 2, above.

5. BIS agrees that upon compliance in full with the terms of this Settlement Agreement and the Order, if entered, BIS will not initiate any further administrative proceeding against ADSGS with respect to any violation of Part 760 of the Regulations arising out of the transactions set forth in the Proposed Charging Letter.
6. ADSGS understands that BIS will make the Proposed Charging Letter, this Settlement Agreement, and the Order, when entered, available to the public.
7. This Settlement Agreement is for settlement purposes only. Therefore, if this Settlement Agreement is not accepted and the Order not entered by the Assistant Secretary of Commerce for Export Enforcement, neither BIS nor ADSGS may use this Settlement Agreement in any administrative or judicial proceeding, and BIS and ADSGS shall not be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.
8. This Settlement Agreement constitutes and contains the entire agreement and understanding of BIS and ADSGS.

No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise alter or affect the terms of this Settlement Agreement or the Order, when entered, nor shall this Settlement Agreement bind, constrain or otherwise limit any action by any other

agency or department of the United States Government with respect to the facts and circumstances herein addressed.

9. This Settlement Agreement shall become binding on BIS and ADSGS only when approved by the Assistant Secretary of Commerce for Export Enforcement by entering the Order, which shall have the same force and effect as a decision and Order issued after a full administrative hearing on the record.

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

11. If any provision of the Settlement Agreement is found to be unlawful, only the specific provision in question shall be affected and the other provisions shall remain in full force and effect.

Airbus DS Government Solutions, Inc



DATE: 5/9/24

U.S. DEPARTMENT OF COMMERCE



Cathleen Ryan
Director
Office of Antiboycott Compliance

DATE: 22 MAY 2024