

Press Releases: U.S. Department of State Concludes \$30 Million Settlement of Alleged Export Violations by FLIR Systems, Inc.

Media Note
Office of the Spokesperson

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The Department of State has concluded an administrative settlement with FLIR Systems, Inc. of Wilsonville, Oregon, to resolve alleged violations of the Arms Export Control Act (AECA), 22 U.S.C. § 2751 *et seq.*, and the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120-130. The Department of State and FLIR have reached this settlement following an extensive compliance review by the Office of Defense Trade Controls Compliance in the Department's Bureau of Political-Military Affairs.

The U.S. Department of State and FLIR have reached an agreement pursuant to ITAR § 128.11 to address alleged unauthorized exports of defense articles, including technical data; the unauthorized provision of defense services; violation of the terms of provisos or other limitations of license authorizations; and the failure to maintain specific records involving ITAR-controlled transactions. FLIR's alleged unauthorized exports also included the retransfer of ITAR-controlled technical data and provision of defense services to dual national employees of Iran, Iraq, Lebanon, and Cuba to which the United States restricts exports of defense articles and defense services.

The settlement demonstrates the Department's role in strengthening U.S. industry by protecting U.S. defense articles, including technical data, from unauthorized export through the Bureau of Political-Military Affairs' Directorate of Defense Trade Controls (DDTC). The settlement also highlights the importance of ensuring effective oversight of intra-company transfers of controlled defense articles and the need to obtain appropriate authorization from the Department for such transfers to foreign-person employees.

Under the terms of the four-year Consent Agreement, FLIR will pay a civil penalty of \$30,000,000. The Department has agreed to suspend \$15,000,000 of this amount on the condition that the funds have or will be used for Department-approved Consent Agreement remedial compliance measures. Also,

FLIR must hire an external Designated Official to oversee the Consent Agreement, which would require the company to conduct two external audits to assess and improve its compliance program during the Agreement term as well as implement additional compliance measures.

FLIR voluntarily disclosed certain alleged AECA and ITAR violations, which are resolved under this settlement to the Department. FLIR also acknowledged the serious nature of the alleged violations, cooperated with the Department's review, and instituted a number of compliance program improvements during the course of the Department's review. For these reasons, the Department has determined that an administrative debarment of FLIR is not appropriate at this time.

[The Department's Consent Agreement with FLIR Systems, Inc](#), and related documents will be available for public inspection in the [Public Reading Room of the Department of State](#) and on [Penalty and Oversight Agreements](#) section of the DDTC website.

For additional information, please contact the Bureau of Political-Military Affairs' Office of Congressional and Public Affairs at pm-cpa@state.gov.

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