

South Carolina Company, Affiliates and Officers Fined \$3.5 Million for Illegal Exports to Multiple Countries

WASHINGTON – The U.S. Department of Commerce’s Bureau of Industry and Security (BIS) today imposed a \$3.5 million penalty on Streit USA, of South Carolina, Streit Group, UAE, Streit Middle East, UAE, and two corporate officers, to settle charges that they sold U.S.-origin vehicles retrofitted with ballistic steel and bullet proof glass to various end-users in multiple countries without the required licenses.

“The scope of today's settlements highlights the fact that both exporters and foreign reexporters face consequences if they do not comply with U.S. export control regulations,” said Assistant Secretary of Commerce for Export Enforcement, David W. Mills. “These penalties should also serve as a reminder to corporate officers of their responsibility to ensure the export of national security controlled items are properly licensed, and of the importance of providing full and accurate information to BIS.”

Guerman Goutorov, the Chairman and CEO of Streit Group and Streit Middle East, was individually charged for his role in causing, aiding, and abetting in unlicensed transfers and reexports. In addition, the now president of Streit USA, Eric Carlson, was charged with causing, aiding and abetting in a false statement to the U.S. government for his role in relation to a pending export license application.

Between March 2008 and November 2009, the Streit companies completed at least nine unlicensed sales and transfers of armored vehicles classified to the UAE, Venezuela, Afghanistan, Iraq, Nigeria, the Philippines, and Singapore without the required Department of Commerce licenses. The vehicles were transferred, sold, and/or reexported in violation of the terms and conditions of the underlying export licenses, and without the authorization of a reexport license. The vehicles are controlled under the Export Administration Regulations for national security reasons.

All of the parties are subject to a three-year suspended Denial Order and the corporate entities must complete audits covering the next three years. Also as part of today’s settlement, \$1.5 million of the penalty was suspended.

The Department of Homeland Security, Homeland Security Investigations (HSI)-Charleston office assisted in the investigation.

BIS is the principal agency involved in the implementation and enforcement of export controls for commercial technologies. The BIS Office of Export Enforcement detects, prevents, investigates and assists in the sanctioning of illegal exports of such items. For more information, please visit us at www.bis.doc.gov, and follow us on Twitter: <http://twitter.com/BISgov>.