

FOR IMMEDIATE RELEASE
Friday, December 14, 2018
www.bis.doc.gov

BUREAU OF INDUSTRY AND SECURITY
Office of Congressional and Public Affairs
(202) 482-2721

**FORMER FLORIDA CEO PLEADS GUILTY TO EXPORT VIOLATIONS AND
AGREES TO PAY RECORD \$17 MILLION TO DEPARTMENT OF COMMERCE**

WASHINGTON, DC – Eric Baird, the former owner and Chief Executive Officer (CEO) of a Florida-based package consolidation and shipping service, has pleaded guilty to one count of felony smuggling and admitted to 166 administrative violations of U.S. export control laws as part of a global settlement with the U.S. Department of Justice (DOJ) and the U.S. Department of Commerce’s Bureau of Industry and Security (BIS).

On December 12, 2018, Baird’s criminal plea was accepted by a federal judge in the U.S. District Court for the Middle District of Florida, and BIS issued an Order outlining the administrative violations and imposing civil penalties of \$17 million, with \$7 million suspended, and a 5-year denial of export privileges, of which one year is suspended. The civil penalty is the largest to be paid by an individual in BIS history. In February 2017, Access USA settled with BIS and agreed to an administrative civil penalty of \$27 million, with \$17 million suspended.

As part of the administrative settlement, Baird admitted to violations of the Export Administration Regulations committed from August 1, 2011, through January 7, 2013, during his tenure as CEO of Access USA Shipping, LLC d/b/a MyUS.com (“Access USA”). Baird founded Access USA and developed its business model, which provided foreign customers with a U.S. address that they used to acquire U.S.-origin items for export without alerting U.S. merchants of the items’ intended destinations. Under Baird’s direction, Access USA developed practices and policies which facilitated concealment from U.S. merchants. Access USA would regularly change the values and descriptions of items on export documentation even where it knew the accurate value and nature of the items. Among the altered descriptions were some for controlled items listed on the Commerce Control List (CCL). For example, laser sights for firearms were described as “tools and hardware,” and rifle scopes were described as “sporting goods” or “tools, hand tools.”

Additionally, Baird established and/or authorized Access USA’s “personal shopper” program. As part of this program, Access USA employees purchased items for foreign customers from a shopping list while falsely presenting themselves to U.S. merchants as the domestic end-users of the items. In some cases, Baird directed or authorized Access USA employees to use his personal credit card information, and in others Baird personally asked Access USA employees to apply for and use personal credit cards of their own to make such purchases and have the items sent to their personal addresses. As a result, in addition to being misled to believe that a domestic customer and end-user was involved when the items were in fact intended for export, the U.S. merchant would be misled to believe that Access USA itself was not involved in the transaction.

The activities that Baird knowingly authorized and/or participated in resulted in unlicensed exports of controlled items to various countries, as well as repeated false statements on Automated Export System (AES) filings. As early as September 2011, Baird was made aware that undervaluing violated U.S. export laws, including the EAR. In fact, Baird received e-mails on this subject from his Chief Technology Officer, who stated, "I know we are WILLINGLY AND INTENTIONALLY breaking the law." (Emphasis in original). In the same email chain, Baird suggested that Access USA could falsely reduce the value of items by 25% on export control documentation submitted to the U.S. government and if "warned by [the U.S.] government," then the company "can stop ASAP."

"It was through the outstanding investigative skills and dedication of the special agents of the Department of Commerce and the Department of Homeland Security, that enabled us to protect our country's national security by detecting, disrupting and prosecuting a complex illegal export scheme led by Access USA's former owner and CEO, Eric Baird. The message must be received that individuals, as well as companies, are equally liable for their illegal activities," said BIS Special Agent-in-Charge Robert Luzzi. "BIS brought this action because of the serious potential harm to national security inherent in a business model where companies consolidating or forwarding packages abroad conceal from U.S. merchants the location of foreign customers and the fact that items are intended for export. As a result of these deceptive practices, U.S. merchants' compliance programs may be unable to detect potential unlicensed exports and other violations."

"We expect companies and individuals to adhere to our nation's strict import and export laws," said U.S. Attorney Chapa Lopez. "Shipping and freight forwarding companies must take sufficient steps to ensure that they are always in compliance with United States law, in order to protect our borders and prevent potentially dangerous items from reaching the hands of our adversaries."

The case was the result of the joint investigation by BIS' Office of Export Enforcement and the Department of Homeland Security's Homeland Security Investigations. It was prosecuted by Assistant U.S. Attorney Patrick Scruggs for the Middle District of Florida, and the Department of Commerce's Office of Chief Counsel. A criminal sentencing date for Baird is pending with the U.S. District Court for the Middle District of Florida.