

**BIS FINES SINGAPORE COMPANY AND ITS CHAIRMAN OVER \$31 MILLION
FOR USING U.S. EXPORT CONTROLLED EQUIPMENT TO
CONDUCT A SEISMIC SURVEY IN IRANIAN WATERS**

On August 19, 2020, BIS Acting Under Secretary Cordell Hull issued a final order imposing a \$31,425,760.00 penalty on Singapore based Nordic Maritime Pte. Ltd. (“Nordic”) and its Chairman, Morten Innhaug (“Innhaug”). The order imposing a civil penalty followed an earlier decision to impose a 15 year denial order against Nordic and Innhaug. This penalty was recommended by U.S. Coast Guard Administrative Law Judge Dean C. Metry based on a BIS investigation into the unlawful use of U.S. origin subsea survey equipment in Iranian territorial waters.

In July 2011, Reflect Geophysical (Reflect) obtained a license from BIS to re-export subsea survey equipment controlled on national security and anti-terrorism grounds. The equipment was loaded onto the M/V Orient Explorer, a vessel owned by DMNG, a Russian state-owned company. In March 2012, Reflect lost control of the equipment aboard the vessel in Singapore due to DMNG exercising a lien over the controlled surveying equipment as a result of a contractual dispute. Nordic subsequently gained control of the equipment by chartering the M/V Orient Explorer from DMNG.

In April 2012, Reflect sent a cease and desist letter to DMNG, Nordic, and Innhaug cautioning the parties that the use of Reflect’s equipment in Iranian waters would violate the terms of the BIS issued re-export license. Despite the warning by Reflect, Nordic used the controlled equipment to perform a 3D offshore seismic survey in the Forouz B natural gas field in Iranian territorial waters. The survey was conducted pursuant to a contract that Nordic had with Mapna International FZE, a subsidiary of Mapna Group, also known as the Iran Power Plant Management Company. Nordic did not obtain authorization from either BIS or the Department of Treasury’s Office of Foreign Assets Control.

“I am very proud of the special agents in BIS Export Enforcement who continue their relentless pursuit of national security investigations - no matter where they occur around the world,” said P. Lee Smith, Performing the Nonexclusive Functions and Duties of the Assistant Secretary for Export Enforcement.

During the investigation, Nordic provided BIS a written submission falsely stating that Reflect never advised Nordic that the survey equipment was subject to a BIS re-export license, never communicated any BIS export license conditions controlling the survey equipment and never provided a copy of the BIS license to Nordic.

Judge Metry found that Nordic committed three violations when it illegally re-exported certain equipment to Iran, acting with knowledge when it illegally reexported the equipment and made

false and misleading statements to BIS during the investigation. Innhaug was found to have aided and abetted Nordic in violating the regulations.

The Houston Resident Office, Office of Export Enforcement, Bureau of Industry and Security investigated the case. Gregory Michelsen and Zachary Klein, Office of Chief Counsel for the Bureau of Industry and Security, prosecuted the case.