



FOR IMMEDIATE RELEASE
January 27, 2021
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BUREAU OF INDUSTRY AND SECURITY
Office of Congressional and Public Affairs
(202) 482-1069

BIS IMPOSES ADMINISTRATIVE PENALTIES FOR SUBMISSION OF FALSE OR MISLEADING EXPORT INFORMATION INVOLVING RUSSIA

On January 27, 2021, Kevin J. Kurland, performing the non-exclusive functions and duties of the Assistant Secretary for Export Enforcement, Bureau of Industry and Security (BIS) of the U.S. Department of Commerce, announced an Administrative Settlement of \$540,000 (partially suspended) with Julian Demurjian of San Francisco, CA. BIS alleged that Mr. Demurjian and CIS Project, a company that Demurjian owned and operated, caused, aided, or abetted seven violations of the Export Administration Regulations (EAR). These seven alleged violations were in connection with the submission of false or misleading information of the values of telecommunications networking equipment controlled for national security, encryption, or anti-terrorism reasons and destined for Russia.

“The Bureau of Industry and Security will not tolerate exporters undermining the integrity of our export control system through the submission of false or misleading information,” said Mr. Kurland. “The Office of Export Enforcement will continue applying the investigative resources and authorities necessary, including the imposition of administrative penalties, to protect and promote U.S. national security, foreign policy, and economic interests.”

The BIS settlement resolved allegations that on six occasions between December 2014 and August 2015, Demurjian and CIS Project prepared invoices on CIS Project letterhead that significantly undervalued the items, and provided these invoices to a freight forwarder. The freight forwarder subsequently filed Electronic Export Information (EEI) containing the false value information in the Automated Export System for each of the shipments. The BIS settlement also resolved allegations that, in February 2015, Demurjian and CIS Project generated and provided to the freight forwarder an invoice on CIS Project letterhead that falsely undervalued the items so that the stated value did not exceed \$2,500, and thus did not appear to trigger an EEI filing requirement. To settle this matter, Mr. Demurjian agreed to a stated penalty of \$540,000, of which \$480,000 will be suspended for a two-year probationary period, and a two-year suspended denial of export privileges under the EAR.

“Today’s action demonstrates Export Enforcement’s commitment to combating violations of export laws and regulations,” said Special Agent in Charge John D. Masters of BIS’s San Jose, CA Field Office. “BIS has a compelling interest in ensuring that parties submit complete and accurate information to the U.S. Government in connection with their exports.”

BIS’s mission is to advance U.S. national security and foreign policy objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership. Among its enforcement efforts, BIS is committed to preventing U.S.-origin items from supporting Weapons of Mass Destruction (WMD) projects, terrorist activities, or destabilizing military modernization programs. For more information, please visit www.bis.doc.gov.

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