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BUREAU OF INDUSTRY AND SECURITY

Office of Congressional and Public Affairs

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BIS IMPOSES 20 YEAR DENIAL ORDER FOR ALLEGED ATTEMPTED UNAUTHORIZED EXPORT OF COMMUNICATIONS EQUIPMENT TO IRAN

Washington, D.C.—On March 29, 2023, the Bureau of Industry and Security (BIS) of the U.S. Department of Commerce issued an order denying the export privileges of two companies, Scott Communications, Inc. and Mission Communications, LLC, as well as their owner, Kenneth Peter Scott, (collectively Scott Communications) for a period of 20 years. This settlement resolves a Charging Letter (CL) setting forth five alleged violations of the Export Administration Regulations (EAR) by Scott Communications related to efforts to export communications equipment to Jordan knowing that the equipment was destined for Iran without the required license. Scott Communications also failed to file Electronic Export Information (EEI) for the transaction and failed to maintain appropriate records. During the course of the investigation, Scott made false or misleading statements to Federal Bureau of Investigation (FBI) and BIS Special Agents. Scott Communications admitted to committing the alleged conduct set forth in the CL as part of the settlement agreement.

“BIS will not tolerate exporters using third countries as transshipment points to prohibited destinations such as Iran and providing false statements to law enforcement agents to cover up such illicit activities,” **said Assistant Secretary Matthew Axelrod.** “We will impose severe administrative penalties as appropriate, such as extensive export denial orders, on persons and companies to prevent future violations of our controls.”

This action resulted from a joint investigation by BIS’s Office of Export Enforcement and the FBI. Scott Communications, through its owner Kenneth Peter Scott, who also owns Mission Communications, LLC, agreed to export the communications equipment, specifically two radios, to Jordan with the knowledge that the equipment was ultimately destined for Iran. Scott Communications then attempted to export the radios to Jordan, which were detained by law enforcement, without the required license. During the course of the conduct, Scott was actually communicating with an undercover FBI Special Agent posing as a procurement agent for Iran.

Scott also made false or misleading representations to a BIS official and produced falsified emails in an effort to support claims that Scott Communications did not agree to the export. Scott Communications also did not file EEI for the export of the communications equipment and did not maintain appropriate export control records. As the Settlement Agreement and Order indicate, Scott Communications has demonstrated a limited ability to pay a monetary penalty. The full Order, Settlement Agreement, and Charging Letter are available online [here](#).

A denial of export privileges prohibits a person from participating in any way in any transaction subject to the EAR. Furthermore, it is unlawful for other businesses and individuals to participate in any way in an export transaction subject to the EAR with a denied person.

Report suspected export control violations through the BIS online tip portal. You can also call the Enforcement Hotline at 1-800-424-2980 or email: EELead@bis.doc.gov. These BIS actions were taken under the authority of the Export Control Reform Act of 2018 and its implementing regulations, the EAR. BIS controls exports and reexports of dual-use commodities, technology and software for reasons of national security, missile technology, nuclear non-proliferation, chemical and biological non-proliferation, crime control and regional stability. Criminal and administrative sanctions can be imposed for violations of the EAR. For more information, please visit: <https://www.bis.doc.gov/index.php/enforcement>.

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