

tence providing that the provisions of this paragraph shall not apply in the case of exports described in subsection (o).

Subsec. (f)(2). Pub. L. 99-64, §111(c), inserted "in writing" after "inform the applicant", and substituted provisions describing the steps to which the applicant is entitled before a final determination with respect to the application is made and providing that the provisions of this paragraph shall not apply in the case of exports described in subsection (o), for provision that the Secretary accord the applicant an opportunity, before the final determination with respect to the application is made, to respond in writing to such questions, considerations, or recommendations.

Subsec. (f)(3). Pub. L. 99-64, §111(d), inserted two new sentences describing the content of the writing which the applicant is entitled to receive when the Secretary determines that an application should be denied and directing that the Secretary allow the applicant at least 30 days to respond to the Secretary's determination before the license application is denied, and struck out existing sentence which had provided: "In cases where the Secretary has determined that an application should be denied, the applicant shall be informed in writing, within 5 days after such determination is made, of the determination, of the statutory basis for denial, the policies set forth in section 4602 of this title which would be furthered by denial, and, to the extent consistent with the national security and foreign policy of the United States, the specific considerations which led to the denial, and of the availability of appeal procedures."

Subsec. (f)(4). Pub. L. 99-64, §111(b)(4), inserted sentence providing that provisions of this paragraph shall not apply in the case of exports described in subsec. (o).

Subsec. (g)(2). Pub. L. 99-64, §111(a)(3), substituted "20" for "30" in provisions preceding subpar. (A) and in provisions following subpar. (C).

Subsec. (h). Pub. L. 99-64, §111(a)(1), substituted "40" for "60" wherever appearing.

Subsec. (j)(3). Pub. L. 99-64, §111(a)(3), substituted "20" for "30".

Subsecs. (k) to (o). Pub. L. 99-64, §111(e)(2), added subsecs. (k) to (o).

#### REGULATIONS

Pub. L. 96-72, §19(b)(1), Sept. 29, 1979, 93 Stat. 535, provided that: "Regulations implementing the provisions of section 10 of this Act [50 U.S.C. 4609] shall be issued and take effect not later than July 1, 1980."

#### DELEGATION OF FUNCTIONS

Functions conferred upon President under this section delegated to Secretary of Commerce by Ex. Ord. No. 12214, May 2, 1980, 45 F.R. 29783, set out under section 4603 of this title, with exception of functions conferred upon President under subsec. (g) of this section which were reserved to President.

### § 4610. Violations

#### (a) In general

Except as provided in subsection (b) of this section, whoever knowingly violates or conspires to or attempts to violate any provision of this chapter or any regulation, order, or license issued thereunder shall be fined not more than five times the value of the exports involved or \$50,000, whichever is greater, or imprisoned not more than 5 years, or both.

#### (b) Willful violations

(1) Whoever willfully violates or conspires to or attempts to violate any provision of this chapter or any regulation, order, or license issued thereunder, with knowledge that the exports involved will be used for the benefit of, or that the destination or intended destination of

the goods or technology involved is, any controlled country or any country to which exports are controlled for foreign policy purposes—

(A) except in the case of an individual, shall be fined not more than five times the value of the exports involved or \$1,000,000, whichever is greater; and

(B) in the case of an individual, shall be fined not more than \$250,000, or imprisoned not more than 10 years, or both.

(2) Any person who is issued a validated license under this chapter for the export of any good or technology to a controlled country and who, with knowledge that such a good or technology is being used by such controlled country for military or intelligence gathering purposes contrary to the conditions under which the license was issued, willfully fails to report such use to the Secretary of Defense—

(A) except in the case of an individual, shall be fined not more than five times the value of the exports involved or \$1,000,000, whichever is greater; and

(B) in the case of an individual, shall be fined not more than \$250,000, or imprisoned not more than 5 years, or both.

(3) Any person who possesses any goods or technology—

(A) with the intent to export such goods or technology in violation of an export control imposed under section 4604 or 4605 of this title or any regulation, order, or license issued with respect to such control, or

(B) knowing or having reason to believe that the goods or technology would be so exported,

shall, in the case of a violation of an export control imposed under section 4604 of this title (or any regulation, order, or license issued with respect to such control), be subject to the penalties set forth in paragraph (1) of this subsection and shall, in the case of a violation of an export control imposed under section 4605 of this title (or any regulation, order, or license issued with respect to such control), be subject to the penalties set forth in subsection (a).

(4) Any person who takes any action with the intent to evade the provisions of this chapter or any regulation, order, or license issued under this chapter shall be subject to the penalties set forth in subsection (a), except that in the case of an evasion of an export control imposed under section 4604 or 4605 of this title (or any regulation, order, or license issued with respect to such control), such person shall be subject to the penalties set forth in paragraph (1) of this subsection.

(5) Nothing in this subsection or subsection (a) shall limit the power of the Secretary to define by regulations violations under this chapter.

#### (c) Civil penalties; administrative sanctions

(1) The Secretary (and officers and employees of the Department of Commerce specifically designated by the Secretary) may impose a civil penalty not to exceed \$10,000 for each violation of this chapter or any regulation, order, or license issued under this chapter, either in addition to or in lieu of any other liability or penalty which may be imposed, except that the civil penalty for each such violation involving na-

tional security controls imposed under section 4604 of this title or controls imposed on the export of defense articles and defense services under section 2778 of title 22 may not exceed \$100,000.

(2)(A) The authority under this chapter to suspend or revoke the authority of any United States person to export goods or technology may be used with respect to any violation of the regulations issued pursuant to section 4607(a) of this title.

(B) Any administrative sanction (including any civil penalty or any suspension or revocation of authority to export) imposed under this chapter for a violation of the regulations issued pursuant to section 4607(a) of this title may be imposed only after notice and opportunity for an agency hearing on the record in accordance with sections 554 through 557 of title 5.

(C) Any charging letter or other document initiating administrative proceedings for the imposition of sanctions for violations of the regulations issued pursuant to section 4607(a) of this title shall be made available for public inspection and copying.

(3) An exception may not be made to any order issued under this chapter which revokes the authority of a United States person to export goods or technology unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate are first consulted concerning the exception.

(4) The President may by regulation provide standards for establishing levels of civil penalty provided in this subsection based upon the seriousness of the violation, the culpability of the violator, and the violator's record of cooperation with the Government in disclosing the violation.

#### (d) Payment of penalties

The payment of any penalty imposed pursuant to subsection (c) may be made a condition, for a period not exceeding one year after the imposition of such penalty, to the granting, restoration, or continuing validity of any export license, permission, or privilege granted or to be granted to the person upon whom such penalty is imposed. In addition, the payment of any penalty imposed under subsection (c) may be deferred or suspended in whole or in part for a period of time no longer than any probation period (which may exceed one year) that may be imposed upon such person. Such a deferral or suspension shall not operate as a bar to the collection of the penalty in the event that the conditions of the suspension, deferral, or probation are not fulfilled.

#### (e) Refunds

Any amount paid in satisfaction of any penalty imposed pursuant to subsection (c), or any amounts realized from the forfeiture of any property interest or proceeds pursuant to subsection (g), shall be covered into the Treasury as a miscellaneous receipt. The head of the department or agency concerned may, in his discretion, refund any such penalty imposed pursuant to subsection (c), within 2 years after payment, on the ground of a material error of fact or law in the imposition of the penalty. Notwithstand-

ing section 1346(a) of title 28, no action for the refund of any such penalty may be maintained in any court.

#### (f) Actions for recovery of penalties

In the event of the failure of any person to pay a penalty imposed pursuant to subsection (c), a civil action for the recovery thereof may, in the discretion of the head of the department or agency concerned, be brought in the name of the United States. In any such action, the court shall determine de novo all issues necessary to the establishment of liability. Except as provided in this subsection and in subsection (d), no such liability shall be asserted, claimed, or recovered upon by the United States in any way unless it has previously been reduced to judgment.

#### (g) Forfeiture of property interest and proceeds

(1) Any person who is convicted under subsection (a) or (b) of a violation of an export control imposed under section 4604 of this title (or any regulation, order, or license issued with respect to such control) shall, in addition to any other penalty, forfeit to the United States—

(A) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in the goods or tangible items that were the subject of the violation;

(B) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in tangible property that was used in the export or attempt to export that was the subject of the violation; and

(C) any of that person's property constituting, or derived from, any proceeds obtained directly or indirectly as a result of the violation.

(2) The procedures in any forfeiture under this subsection, and the duties and authority of the courts of the United States and the Attorney General with respect to any forfeiture action under this subsection or with respect to any property that may be subject to forfeiture under this subsection, shall be governed by the provisions of section 1963 of title 18.

#### (h) Prior convictions

(1) No person convicted of a violation of this chapter (or any regulation, license, or order issued under this chapter), any regulation, license, or order issued under the International Emergency Economic Powers Act [50 U.S.C. 1701 et seq.], section 793, 794, or 798 of title 18, section 783(b)<sup>1</sup> of this title, or section 2778 of title 22 shall be eligible, at the discretion of the Secretary, to apply for or use any export license under this chapter for a period of up to 10 years from the date of the conviction. The Secretary may revoke any export license under this chapter in which such person has an interest at the time of the conviction.

(2) The Secretary may exercise the authority under paragraph (1) with respect to any person related, through affiliation, ownership, control, or position of responsibility, to any person convicted of any violation of law set forth in paragraph (1), upon a showing of such relationship

<sup>1</sup> See References in Text note below.

with the convicted party, and subject to the procedures set forth in section 4615(c) of this title.

**(i) Other authorities**

Nothing in subsection (c), (d), (f), (g), or (h) limits—

(1) the availability of other administrative or judicial remedies with respect to violations of this chapter, or any regulation, order, or license issued under this chapter;

(2) the authority to compromise and settle administrative proceedings brought with respect to violations of this chapter, or any regulation, order, or license issued under this chapter; or

(3) the authority to compromise, remit or mitigate seizures and forfeitures pursuant to section 401(b) of title 22.

(Pub. L. 96-72, §11, Sept. 29, 1979, 93 Stat. 529; Pub. L. 97-145, §4(a)-(c), Dec. 29, 1981, 95 Stat. 1727; Pub. L. 99-64, title I, §112, July 12, 1985, 99 Stat. 146; Pub. L. 100-418, title II, §2426, Aug. 23, 1988, 102 Stat. 1361.)

**TERMINATION DATE**

*For termination of authority granted by this chapter, see section 4622 of this title.*

**REFERENCES IN TEXT**

This chapter, referred to in subsecs. (a) to (c), (h)(1), and (i), was in the original "this Act", meaning Pub. L. 96-72, Sept. 29, 1979, 93 Stat. 503, known as the Export Administration Act of 1979, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4601 of this title and Tables.

The International Emergency Economic Powers Act, referred to in subsec. (h)(1), is title II of Pub. L. 95-223, Dec. 28, 1977, 91 Stat. 1626, which is classified generally to chapter 35 (§1701 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1701 of this title and Tables.

Section 783(b) of this title, referred to in subsec. (h)(1), was redesignated section 783(a) of this title by Pub. L. 103-199, title VIII, §803(2)(B), Dec. 17, 1993, 107 Stat. 2329.

**CODIFICATION**

Section was formerly classified to section 2410 of the former Appendix to this title prior to editorial reclassification and renumbering as this section.

A prior section 2410 of the former Appendix to this title, Pub. L. 91-184, §11, Dec. 30, 1969, 83 Stat. 846; Pub. L. 95-52, title II, §204, June 22, 1977, 91 Stat. 247, defined "person" and "United States person" for purposes of the Export Administration Act of 1969, prior to the expiration of the Act on Sept. 30, 1979. See section 4618 of this title.

**AMENDMENTS**

1988—Subsec. (h). Pub. L. 100-418, §2426, designated existing provisions as par. (1), inserted "this chapter (or any regulation, license, or order issued under this chapter), any regulation, license, or order issued under the International Emergency Economic Powers Act," after "violation of", and added par. (2).

1985—Subsec. (a). Pub. L. 99-64, §112(a), inserted "or conspires to or attempts to violate".

Subsec. (b)(1). Pub. L. 99-64, §112(b)(1), in provisions preceding subpar. (A), substituted "Whoever willfully violates or conspires to or attempts to violate any provision of this chapter or any regulation, order, or license issued thereunder, with knowledge that the exports involved will be used for the benefit of, or that the destination or intended destination of the goods or technology involved is, any controlled country or any

country to which exports are controlled for foreign policy purposes" for "Whoever willfully exports anything contrary to any provision of this chapter or any regulation, order, or license issued thereunder, with knowledge that such exports will be used for the benefit of any country to which exports are restricted for national security or foreign policy purposes".

Subsec. (b)(2). Pub. L. 99-64, §112(b)(2), struck out sentence which provided that for purposes of this paragraph, "controlled country" means any country described in section 2370(f) of title 22.

Subsec. (b)(3) to (5). Pub. L. 99-64, §112(b)(3), added pars. (3) to (5).

Subsec. (c)(1). Pub. L. 99-64, §112(c)(1), substituted "Secretary (and officers and employees of the Department of Commerce specifically designated by the Secretary)" for "head of any department or agency exercising any functions under this chapter, or any officer or employee of such department or agency specifically designated by the head thereof".

Subsec. (c)(3), (4). Pub. L. 99-64, §112(c)(2), added pars. (3) and (4).

Subsec. (e). Pub. L. 99-64, §112(d), inserted "or any amounts realized from the forfeiture of any property interest or proceeds pursuant to subsection (g)," after "Any amount paid in satisfaction of any penalty imposed pursuant to subsection (c)", and inserted "imposed pursuant to subsection (c)" after "refund any such penalty".

Subsecs. (g), (h). Pub. L. 99-64, §112(e)(2), added subsecs. (g) and (h). Former subsec. (g) redesignated (i).

Subsec. (i). Pub. L. 99-64, §112(e)(1), (f), redesignated former subsec. (g) as (i) and substituted "(f), (g), or (h)" for "or (f)" in provisions preceding par. (1).

1981—Subsec. (b)(1). Pub. L. 97-145, §4(a), in penalty provisions, substituted separate penalties for individuals and others in subpars. (A) and (B), for provisions prescribing a fine of not more than five times the value of the exports involved or \$100,000, whichever was greater, or imprisonment of not more than 10 years, or both.

Subsec. (b)(2). Pub. L. 97-145, §4(b), in penalty provisions, substituted separate penalties for individuals and others in subpars. (A) and (B), for provisions prescribing a fine of not more than five times the value of the exports involved or \$100,000, whichever was greater, or imprisonment for not more than 5 years, or both.

Subsec. (c)(1). Pub. L. 97-145, §3(c), inserted exception that the civil penalty for each violation involving national security controls imposed under section 4604 of this title or controls imposed on the export of defense articles and defense services under section 2778 of title 22 may not exceed \$100,000.

**EFFECTIVE DATE OF 1981 AMENDMENT**

Pub. L. 97-145, §4(d), Dec. 29, 1981, 95 Stat. 1728, provided that: "The amendments made by this section [amending this section] apply with respect to violations occurring after the date of the enactment of this Act [Dec. 29, 1981]."

**§ 4611. Multilateral export control violations**

**(a) Determination by the President**

The President, subject to subsection (c), shall apply sanctions under subsection (b) for a period of not less than 2 years and not more than 5 years, if the President determines that—

(1) a foreign person has violated any regulation issued by a country to control exports for national security purposes pursuant to the agreement of the group known as the Coordinating Committee, and

(2) such violation has resulted in substantial enhancement of Soviet and East bloc capabilities in submarine or antisubmarine warfare, ballistic or antiballistic missile technology, strategic aircraft, command, control, communications and intelligence, or other critical