



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Thompson/Center Arms Company, Inc.
Framington Road, Rochester
New Hampshire 03867

Attention: Ed Bartlett
Vice President & General Counsel

Dear Mr. Bartlett:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described below, Thompson/Center Arms Company, Inc. (hereinafter referred to as Thompson) has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2001)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 3001)) (the Act).²

Facts constituting violations:

Charge 1-5

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on five separate occasions between on or about April 18, 1998 and on or about December 18, 1998, Thompson exported Rifles/Pistols Scopes from the United States to Argentina, the Czech Republic and Switzerland without the export licenses that were required by Section 742.7(a) of the Regulations. BXX alleges that by engaging in conduct prohibited by or contrary to the Regulations, Thompson committed five violations of Section

¹ The Regulations governing the violations at issue are found in the 1998 version of the Code of Federal Regulations. The Regulations are codified at 15 C.F.R. Parts 730-774 (1998)) and, to the degree to which they pertain to this matter, are substantially the same as the 2000 version.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which had been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 Fed. Reg. 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 3000)j until November 13, 2000 when the Act was reauthorized. See Pub. L. No. 106-508.



764.2(a) of the Regulations, for a total of five violations of the Regulations.

Accordingly, Thompson is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions, including any or all of the following:

- a. The maximum civil penalty of \$10,000 per violation (see Section 764.3(a)(1) of the Regulations);³
- b. Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice (see Section 764.3(a)(3) of the Regulations).

Copies of relevant Parts of the Regulations are enclosed.

If Thompson fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter as provided in Section 766.6 of the Regulations, that failure will be treated as a default under Section 766.7. Thompson is further notified that it is entitled to an agency hearing on the record as provided by Section 13(c) of the Act and Section 766.6 of the Regulations, if a written demand for one is filed with its answer, to be represented by counsel, and to seek a settlement.

Pursuant to an Interagency Agreement between BXX and the U.S. Coast Guard, the C.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Accordingly, Thompson's answer should be filed with the U.S. Coast Guard ALJ Docketing Center, 40 S. Gay Street, Baltimore, Maryland 21202-4022, in accordance with the instructions in Section 766.5(a) of the Regulations. In addition, a copy of Thompson's answer should be served on BXX at the address set forth in Section 766.5(b), adding "ATTENTION: Laird M. Street, Esq." below the address. Mr. Street may be contacted by telephone at (202) 482-5311.

Sincerely,

Mark D. Menefee
Director
Office of Export Enforcement

Enclosures

³ The maximum civil penalty for any violation committed after October 23, 1996 is \$11,000 per violation. See 15 C.F.R. § 6.4(a)(3) (2001).

SCHEDULE OF VIOLATIONS
THOMPSON/CENTER ARMS CO., INC.

CHARGE NUMBER	DATE (on or about)	COMMODITIES	AIR WAYBILL NUMBER	INVOICE NUMBER	DESTINATION
1	04/18/98	Rifle/Pistol Scopes	064-0373-6202	12866	Switzerland
2	06/10/98	Rifle/Pistol Scopes	064-0414-1723	12950 12995 13049	Switzerland
3	06/18/98	Rifle/Pistol Scopes	064-0050-1185	12926	Czech Republic
4	10/01/98	Rifle/Pistol Scopes	045-7185-5862	12419	Argentina
5	12/18/98	Rifle/Pistol Scopes	064-0500-6693	13197	Switzerland

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
Thompson/Center Arms Company, Inc.)
Framington Road)
Rochester, New Hampshire 03867)
)

Respondent

ORDER RELATING TO RESPONDENT. THOMPSON/CENTER ARMS COMPANY. INC.

The Bureau of Export Administration, United States Department of Commerce (BXA), having notified Thompson/Center Arms Company, Inc. (Thompson), of its intention to initiate an administrative proceeding against it pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1994 & Supp. V 1999)) (Act),¹ and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2001)) (Regulations),* based on allegations in a proposed charging letter issued to Thompson that alleged that Thompson committed five violations of the Regulations. Specifically, BXA alleged that on five occasions between on or about

¹ From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was issued on August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations then in effect under the International Emergency Economic Powers Act (50 U.S.C. §§1701 - 1706 (1994 & Supp. V 1999)) (IEEPA). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (66 *Fed. Reg.* 44025 (August 22, 2001)), has continued the Regulations in effect under IEEPA.

² The Regulations governing the violations at issue are found in the 1998 version of the Code of Federal Regulations. The Regulations are codified at 15 C.F.R. Parts 730-774 (1998)) and, to the degree to which they pertain to this matter, are substantially the same as the 2000 version.

April 18, 1998 and on or about December 18, 1998, Thompson exported rifle and pistol scopes from the United States to Argentina, the Czech Republic, and Switzerland without the export licenses that were required by Section 742.7(a) of the Regulations.

BXA and Thompson having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$25,000 is assessed against Thompson. Thompson shall pay \$12,500 of this penalty to the U.S. Department of Commerce within 30 days **from** the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$12,500 shall be suspended for one year **from** the date of entry of this Order and shall thereafter be waived, provided that, during the period of suspension, Thompson has committed no violation of the Act, or any regulation, license or order issued thereunder or under the International Emergency Economic Powers Act; and provided **further** that Thompson has made timely payment of the \$12,500 which was not suspended.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§3701-3720E (1983 and Supp. 2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Thompson will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Thompson. Accordingly, if Thompson should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Thompson's export privileges for a period of one year **from** the date of entry of this Order.

FOURTH, that the proposed charging letter, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.



Michael J. Garcia
Assistant Secretary of Commerce
for Export Enforcement

Entered this 28th day of March 202.

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
Thompson/Center Arms Company, Inc.)
Framington Road)
Rochester, New Hampshire 03867)
)

Respondent)

SETTLEMENT AGREEMENT BETWEEN THOMPSON/CENTER ARMS COMPANY, INC.
AND THE BUREAU OF EXPORT ADMINISTRATION

This Settlement Agreement (Agreement) is made by and between Thompson/Center Arms Company, Inc. (Thompson) and the Bureau of Export Administration, United States Department of Commerce (BXA), pursuant to Section 766.18(a) of the Export Administration Regulations (15 C.F.R. Parts 730-774 (2001)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1994 & Supp. V 1999)) (Act),² and which are currently maintained in force under the International Emergency Economic Powers Act (50 U.S.C. §§1701 - 1706 (1994 & Supp. V 1999)) (IEEPA).

¹ The Regulations governing the violations at issue are found in the 1998 version of the Code of Federal Regulations. The Regulations are codified at 15 C.F.R. Parts 730-774 (1998)) and, to the degree to which they pertain to this matter, are substantially the same as the 2000 version.

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was issued on August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §1701 - 1706 (1994 & Supp. V 1999)) (IEEPA). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (66 Fed. Reg. 44025 (August 22, 2001)), has continued the Regulations in effect under IEEPA.

WHEREAS, BXA has notified Thompson of its intention to initiate an administrative proceeding against Thompson pursuant to the Act and the Regulations;

WHEREAS, BXA has issued a proposed charging letter to Thompson that alleged that Thompson committed five violations of the Regulations. Specifically, BXA alleged that on five occasions between on or about April 18, 1998 and on or about December 18, 1998, Thompson exported rifle and pistol scopes from the United States to Argentina, the Czech Republic, and Switzerland without the export licenses that were required by Section 742.7(a) of the Regulations.

WHEREAS, Thompson has reviewed the proposed charging letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true;

WHEREAS, Thompson fully understands the terms of this Agreement and the Order that will be issued to give effect to this Settlement Agreement (Order);

WHEREAS, Thompson enters into this Agreement voluntarily and with full knowledge of its rights;

WHEREAS, Thompson states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Thompson neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, Thompson wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, Thompson agrees to be bound by the Order, when entered;

NOW THEREFORE, Thompson and **BXA** agree as follows:

1. BXA has jurisdiction over Thompson, under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. BXA and Thompson agree that the following sanction shall be imposed against Thompson in complete settlement of the alleged violations of the Regulations set forth in the proposed charging letter:
 - a. Thompson shall be assessed a civil penalty in the amount of \$25,000. Thompson shall pay \$12,500 of this penalty to the U.S. Department of Commerce within 30 days **from** the date of entry of the Order. Payment of the remaining \$12,500 shall be suspended for a period of one year from the date of entry of the Order and thereafter shall be waived, provided that during the period of suspension, Thompson has committed no violation of the Act, or any regulation, order or license issued thereunder the Act or under **IEEPA**; and provided further that Thompson has made timely payment of the \$12,500, which was not suspended.
 - b. The timely payment of the civil penalty agreed to in paragraph 2a is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Thompson. Failure to make timely payment of the civil penalty set forth above shall result in the denial of all of Thompson's export privileges for a period of one year **from** the date of entry of the Order imposing the civil penalty.

3. Thompson agrees that, subject to the approval of this Agreement pursuant to paragraph 8 hereof, it hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, when entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in the proposed charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, when entered; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, when entered.

4. BXA agrees that, upon entry of the Order, it will not initiate any administrative proceeding against Thompson in connection with any violation of the Act, or the Regulations arising out the transactions identified in the proposed charging letter.

5. Thompson understands that BXA will make the proposed charging letter, this Agreement, and the Order, when entered, available to the public.

6. BXA and Thompson agree that this Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, BXA and Thompson agree that they may not use this Agreement in any administrative or judicial proceeding and that the parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, when entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other

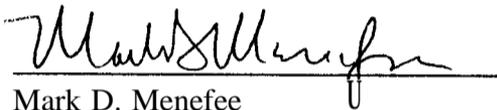
agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on BXA only when the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

BUREAU OF EXPORT ADMINISTRATION
U.S. DEPARTMENT OF COMMERCE

THOMPSON CENTER ARMS COMPANY, INC.



Mark D. Menefee
Director
Office of Export Enforcement



Ed Barlett
Vice President & General Counsel

Date: 4/19/02

Date: 4-8-02