

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

Streit USA Armoring, LLC)
8449 Palmetto Commerce Parkway)
North Charleston, SC 29456)
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ORDER ACCELERATING TWO REMAINING INSTALLMENT PAYMENTS

On September 1, 2015, on behalf of the then-Assistant Secretary of Commerce for Export Enforcement, I signed an Order approving the terms of the Settlement Agreement entered into in late August 2015, between the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), and Streit USA Armoring, LLC (“Streit USA”), of North Charleston, South Carolina.¹ Pursuant to the Settlement Agreement and Order, the sanctions imposed against Streit USA included a civil penalty totaling \$1,600,000. The Settlement Agreement and Order provide that of the \$1,600,000 civil penalty, “\$850,000 shall be paid in five installments as follows: \$170,000 no later than September 27, 2015; \$170,000 no later than April 27, 2016; \$170,000 no later than November 27, 2016; \$170,000 no later than June 27, 2017; and \$170,000 no later than January 27, 2018.” Payment of the remaining \$750,000 was suspended for a period of three years from the date of the September 1, 2015 Order and would thereafter be waived, provided, inter alia, “that during this three-year probationary period . . . [Streit USA] made full and

¹ The Regulations are currently codified in the Code of Federal Regulations at 15. C.F.R. Parts 730-774 (2016), originally issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. §§ 4601-4623 (Supp. III 2015)) (available at <http://uscode.house.gov>). Since August 21, 2001, the Act has been in lapse, and the President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 4, 2016 (81 Fed. Reg. 52,587 (Aug. 8, 2016)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq., (2006 & Supp. IV 2010)).

timely payment of the \$850,000 as set forth above.” The Settlement Agreement and Order also include a three-year suspended denial of Streit USA’s export privileges. The suspension of the denial order was conditioned on, inter alia, Streit USA’s full and timely payment of each installment payment. The Settlement Agreement and Order provided, furthermore, that “[i]f any of the five installment payments is not fully and timely made, any remaining scheduled installment payments and any suspended penalty may become due and owing immediately.”

The ability to pay the \$850,000 in installments rather than one lump sum was specifically sought by Streit USA during the settlement negotiations. Under the installment plan that Streit USA negotiated for and was agreed to and approved by BIS, Streit USA was obligated to make timely payment of its civil penalty payments. It is undisputed that Streit USA failed to do so and that Streit USA did not make the November 27, 2016 installment payment in a timely manner.

Under the Settlement Agreement and Order, BIS’s Office of Export Enforcement (“OEE”) could have requested that I accelerate one or both of the remaining installment payments, activate some or all of the \$750,000 suspended penalty amount, and/or activate a denial of Streit USA’s export privileges for a period of up to three years. Before making a request, OEE apprised Streit USA by telephone that OEE was considering requesting that I take one or more of these actions, and provided Streit USA with an opportunity to respond informally. Streit USA provided information about its financial condition.

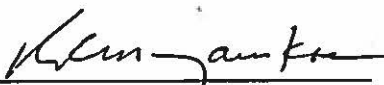
In addition, OEE determined that while Streit USA did not timely make its November 27, 2016 installment payment, Streit USA’s president, Eric Carlson, who entered into a settlement agreement with BIS on related charges that also was approved by order dated September 1, 2015, has been making his payments in a full and timely fashion. Similarly, Streit USA’s parent company, Streit Group FZE, and another Streit Group FZE subsidiary, Streit Middle East FZCO, have been making their installment payments in full and timely fashion in accordance the terms of their settlement agreement with BIS, which also was approved on September 1, 2015.

Guerman Goutorov, the chairman, chief executive officer, and sole or majority owner of Streit USA, Streit Group FZE, and Streit Middle East FZCO, also entered into a settlement agreement with BIS approved on September 1, 2015. Mr. Goutorov, whose civil penalty payment was due in one lump sum, paid his penalty in full and timely fashion.

Based on the totality of the circumstances here, I have determined within my discretion that OEE's request to accelerate the two remaining installment payments due under the BIS-Streit USA Settlement Agreement and Order is appropriate.

ACCORDINGLY, IT IS HEREBY ORDERED that pursuant to the acceleration clause contained in the September 1, 2015 Final Order in this matter, and the corresponding provision contained in the BIS-Streit USA Settlement Agreement, the September 1, 2015 Final Order is amended to move forward the due dates for the two remaining \$170,000 installment payments from June 27, 2017, and January 27, 2018, respectively, to May 15, 2017, and September 30, 2017, respectively. I retain the authority to take additional action, including without limitation activating the suspended penalty and/or activating the suspended denial order, should Streit USA fail to make the May 15, 2017 installment payment in full and timely fashion, or fail to do so with regard to the September 30, 2017 installment payment.

This Order is effective immediately and a copy shall be served on Respondent Streit USA. A copy of this Order also shall be made available to the public.


Richard R. Majauskas
Acting Assistant Secretary of Commerce
for Export Enforcement

Issued this 14TH day of April 2017