In the Matter of:

Teledyne LeCroy, Inc.
700 Chestnut Ridge Road
Chestnut Ridge, NY 10977

ORDER RELATING TO
TELEDYNE LECROY, INC.

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has notified Teledyne LeCroy, Inc. of Chestnut Ridge, New York ("Teledyne LeCroy"), of its intention to initiate an administrative proceeding against Teledyne LeCroy pursuant to Section 766.3 of the Export Administration Regulations (the "Regulations"),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (the "Act"),² through the issuance of a Proposed Charging Letter to Teledyne LeCroy that alleges that Teledyne LeCroy committed two violations of the Regulations. Specifically, the charges are:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2012). The charged violations occurred in 2010. The Regulations governing the violations at issue are found in the 2010 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2015 Regulations set forth the procedures that apply to this matter.

Charges 1-2 15 C.F.R. § 764.2(a) -- Engaging in Conduct Prohibited by the Regulations

One two occasions, on or about January 27, 2010 and April 14, 2010, respectively, Teledyne LeCroy engaged in conducted prohibited by the Regulations by exporting oscilloscopes, items subject to the Regulations, included on the Commerce Control List, and controlled for nuclear non-proliferation and/or anti-terrorism reasons, from the United States to the Beihang University of Aeronautics and Astronautics (BUAA), also known as Beihang University, in Beijing, the People’s Republic of China, without the BIS licenses required by Section 744.11 and Supplement No. 4 to Part 744 of the Regulations. This Chinese entity is and at all times pertinent hereto was an organization listed on the Entity List set forth at Supplement No. 4 to Part 744 of the Regulations. BUAA was added to the Entity List on May 14, 2001, and its Beihang University alias was added to the Entity List listing for BUAA on September 16, 2005.

On two occasions on or about January 27, 2010 and on or about April 16, 2010, Teledyne LeCroy made an unlicensed exported to BUAA of an oscilloscope classified under Export Control Classification Number (ECCN) 3A292.d and controlled for nuclear non-proliferation and anti-terrorism reasons. The oscilloscope exported on the first date was valued at $13,008, and the oscilloscope exported on the second date was valued at $2,594.

At the time of these transactions, Teledyne LeCroy was aware of BUAA’s Entity List listing, including that Beihang University was an alias for BUAA and was part of the listing. Teledyne LeCroy also had obtained end-user statements for both exports that listed “Beijing Beihang University” as the end user of the oscilloscopes. However, Teledyne LeCroy failed to properly screen the Entity List in connection with these two transactions and failed to seek or obtain the BIS licenses required pursuant to Section 744.11 and Supplement No. 4 to Part 744 of the Regulations.

Teledyne LeCroy also failed to file accurate Shipper’s Export Declarations (SEDs) in connection with these transactions when it listed “Beijing Tianhua International” as the “ultimate consignee” on the SEDs. The transaction documentation listed Beijing Tianhua

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3 At the time of the transactions, Teledyne LeCroy was known as LeCroy Corporation. Teledyne Technologies Incorporated acquired LeCroy Corporation as a wholly-owned subsidiary on August 3, 2012. On that same date, LeCroy Corporation’s name was changed to Teledyne LeCroy, Inc.

4 66 Fed. Reg. 24264 (May 14, 2001). The “BUAA” acronym has been included as part of the listing since May 14, 2001.

International Co., Ltd. as a “ship to” party, but an intermediary party is not an ultimate consignee as that latter term is defined in Section 772.1 of the Regulations.\(^6\)

In so doing, Teledyne LeCroy committed two violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS and Teledyne LeCroy have 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

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, Teledyne LeCroy shall be assessed a civil penalty in the amount of $75,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of this Order.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (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, Teledyne LeCroy 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 full and timely payment of the civil penalty in accordance with the payment schedule 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 Teledyne LeCroy. Accordingly, if Teledyne

\(^6\) Beijing Tianhua International Co., Ltd. was subsequently added to the Entity List on December 12, 2013. See 78 Fed. Reg. 75458 (Dec. 12, 2013).
LeCroy should fail to pay the civil penalty in a full and timely manner, the undersigned may issue an order denying all of Teledyne LeCroy's export privileges under the Regulations for a period of one year from the date of failure to make such payment.

FOURTH, Teledyne LeCroy shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or the Order. The foregoing does not affect Teledyne LeCroy's testimonial obligations in any proceeding; nor does it affect its right to take legal or factual positions in civil litigation or other civil proceedings in which the U.S. Department of Commerce is not a party.

FIFTH, 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.

[Signature]
David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Issued this 16th day of September, 2015.
In the Matter of:

Teledyne LeCroy, Inc.
700 Chestnut Ridge Road
Chestnut Ridge, NY 10977

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Teledyne LeCroy, Inc. of Chestnut Ridge, New York ("Teledyne LeCroy"), and the Bureau of Industry and Security, U.S. Department of Commerce ("BIS") (collectively, the "Parties"), pursuant to Section 766.18(a) of the Export Administration Regulations (the "Regulations").1 issued pursuant to the Export Administration Act of 1979, as amended (the "Act").2

1 The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2015). The charged violations occurred in 2010. The Regulations governing the violations at issue are found in the 2010 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2015 Regulations set forth the procedures that apply to this matter.

WHEREAS, BIS has notified Teledyne LeCroy of its intentions to initiate an administrative proceeding against Teledyne LeCroy pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Proposed Charging Letter to Teledyne LeCroy that alleges that Teledyne LeCroy committed two violations of the Regulations, specifically:

Charges 1-2  
15 C.F.R. § 764.2(a) -- Engaging in Conduct Prohibited by the Regulations

One two occasions, on or about January 27, 2010 and April 14, 2010, respectively, Teledyne LeCroy engaged in conduct prohibited by the Regulations by exporting oscilloscopes, items subject to the Regulations, included on the Commerce Control List, and controlled for nuclear non-proliferation and/or anti-terrorism reasons, from the United States to the Beihang University of Aeronautics and Astronautics (BUAA), also known as Beihang University, in Beijing, the People’s Republic of China, without the BIS licenses required by Section 744.11 and Supplement No. 4 to Part 744 of the Regulations. This Chinese entity is and at all times pertinent hereto was an organization listed on the Entity List set forth at Supplement No. 4 to Part 744 of the Regulations. BUAA was added to the Entity List on May 14, 2001, and its Beihang University alias was added to the Entity List listing for BUAA on September 16, 2005.

On two occasions on or about January 27, 2010 and on or about April 16, 2010, Teledyne LeCroy made an unlicensed exported to BUAA of an oscilloscope classified under Export Control Classification Number (ECCN) 3A292.d and controlled for nuclear non-proliferation and anti-terrorism reasons. The oscilloscope exported on the first date was valued at $13,008, and the oscilloscope exported on the second date was valued at $2,594.

At the time of these transactions, Teledyne LeCroy was aware of BUAA’s Entity List listing, including that Beihang University was an alias for BUAA and was part of the

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1 At the time of the transactions, Teledyne LeCroy was known as LeCroy Corporation. Teledyne Technologies Incorporated acquired LeCroy Corporation as a wholly-owned subsidiary on August 3, 2012. On that same date, LeCroy Corporation’s name was changed to Teledyne LeCroy, Inc.

2 66 Fed. Reg. 24264 (May 14, 2001). The “BUAA” acronym has been included as part of the listing since May 14, 2001.

Teledyne LeCroy also had obtained end-user statements for both exports that listed “Beijing Beihang University” as the end user of the oscilloscopes. However, Teledyne LeCroy failed to properly screen the Entity List in connection with these two transactions and failed to seek or obtain the BIS licenses required pursuant to Section 744.11 and Supplement No. 4 to Part 744 of the Regulations.

Teledyne LeCroy also failed to file accurate Shipper’s Export Declarations (SEDs) in connection with these transactions when it listed “Beijing Tianhua International” as the “ultimate consignee” on the SEDs. The transaction documentation listed Beijing Tianhua International Co., Ltd. as a “ship to” party, but an intermediary party is not an ultimate consignee as that latter term is defined in Section 772.1 of the Regulations.6

In so doing, Teledyne LeCroy committed two violations of Section 764.2(a) of the Regulations.

WHEREAS, Teledyne LeCroy has reviewed the Proposed Charging Letter and is aware of the allegations made against it and the administrative sanctions that could be imposed against it if the allegations are found to be true;

WHEREAS, Teledyne LeCroy fully understands the terms of this Agreement and the Order (“Order”) that the Assistant Secretary of Commerce for Export Enforcement will issue if he approves this Agreement as the final resolution of this matter;

WHEREAS, Teledyne LeCroy enters into this Agreement voluntarily and with full knowledge of its rights, after having consulted with counsel;

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

WHEREAS, Teledyne LeCroy neither admits nor denies the allegations contained in the Proposed Charging Letter; and

WHEREAS, Teledyne LeCroy agrees to be bound by the Order, if issued;

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6 Beijing Tianhua International Co., Ltd. was subsequently added to the Entity List on December 12, 2013. See 78 Fed. Reg. 75458 (Dec. 12, 2013).
NOW THEREFORE, the Parties hereby agree, for purposes of this Settlement Agreement, as follows:

1. BIS has jurisdiction over Teledyne LeCroy, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.

2. The following sanctions shall be imposed against Teledyne LeCroy in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the Proposed Charging Letter:
   a. Teledyne LeCroy shall be assessed a civil penalty in the amount of $75,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of the Order. Payment shall be made in the manner specified in the attached instructions.
   d. The full and timely payment of the civil penalty agreed to in Paragraph 2.a 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 Teledyne LeCroy. Failure to make full and timely payment of the civil penalty may result in the denial of all of Teledyne LeCroy’s export privileges under the Regulations for one year from the date of the failure to make such payment.

3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, Teledyne LeCroy hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if issued), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any charging letter; (b) request a refund of any civil penalty paid pursuant
to this Agreement and the Order, if issued; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued. Teledyne LeCroy also waives and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, in connection with any civil or administrative violation of the Act or the Regulations arising out of the transactions identified in the Proposed Charging Letter or in connection with collection of the civil penalty or enforcement of this Agreement and the Order, if issued, from the date of the Order until the date Teledyne LeCroy pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement.

4. Teledyne LeCroy shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or the Order. The foregoing does not affect Teledyne LeCroy's testimonial obligations in any proceeding, nor does it affect its right to take legal or factual positions in civil litigation or other civil proceedings in which the U.S. Department of Commerce is not a party.

5. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a, BIS will not initiate any further administrative proceeding against Teledyne LeCroy in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

6. 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, no Party may use this Agreement in any administrative or judicial proceeding and 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, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing 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. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, available to the public.
10. Each signatory affirms that he/she has authority to enter into this Settlement Agreement and to bind his/her respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE

Douglas R. Hassebrock
Director of Export Enforcement

TELEDYNE LECROY, INC.

Thomas Reslewic
President and Chief Executive Officer

Date: 16 Jun 15

Reviewed by:

Melanie S. Cibik
Senior Vice President, General Counsel and Secretary
Teledyne Technologies Incorporated

Date: June 11, 2015
PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Teledyne LeCroy, Inc.
700 Chestnut Ridge Road
Chestnut Ridge, NY 10977

Attention: Thomas Reslewic, President and Chief Executive Officer

Dear Mr. Reslewic:

The Bureau of Industry and Security, U.S. Department of Commerce (BIS), has reason to believe that Teledyne LeCroy, Inc. (Teledyne LeCroy), has violated the Export Administration Regulations (the Regulations), which issued under the authority of the Export Administration Act of 1979, as amended (the Act). Specifically, BIS alleges that Teledyne LeCroy committed the following violations:

Charges 1-2 15 C.F.R. § 764.2(a) -- Engaging in Conduct Prohibited by the Regulations

One two occasions, on or about January 27, 2010 and April 14, 2010, respectively, Teledyne LeCroy engaged in conducted prohibited by the Regulations by exporting oscilloscopes, items subject to the Regulations, included on the Commerce Control List, and controlled for nuclear non-proliferation and/or anti-terrorism reasons, from the United States to the Beihang University of Aeronautics and Astronautics (BUAA), also known as Beihang University, in Beijing, the People’s Republic of China, without the BIS licenses required by Section 744.11 and Supplement No. 4 to Part 744 of the Regulations. This Chinese entity is and at all times pertinent hereto was an organization


3 At the time of the transactions, Teledyne LeCroy was known as LeCroy Corporation. Teledyne Technologies Incorporated acquired LeCroy Corporation as a wholly-owned subsidiary on August 3, 2012. On that same date, LeCroy Corporation’s name was changed to Teledyne LeCroy, Inc.
listed on the Entity List set forth at Supplement No. 4 to Part 744 of the Regulations. BUAA was added to the Entity List on May 14, 2001, and its Beihang University alias was added to the Entity List listing for BUAA on September 16, 2005.

On two occasions on or about January 27, 2010 and on or about April 16, 2010, Teledyne LeCroy made an unlicensed export to BUAA of an oscilloscope classified under Export Control Classification Number (ECCN) 3A292.d and controlled for nuclear non-proliferation and anti-terrorism reasons. The oscilloscope exported on the first date was valued at $13,008, and the oscilloscope exported on the second date was valued at $2,594.

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In so doing, Teledyne LeCroy committed two violations of Section 764.2(a) of the Regulations.

* * * * *

Accordingly, Teledyne LeCroy 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, but not limited to any or all of the following:

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4 66 Fed. Reg. 24264 (May 14, 2001). The "BUAA" acronym has been included as part of the listing since May 14, 2001.


6 Beijing Tianhua International Co., Ltd. was subsequently added to the Entity List on December 12, 2013. See 78 Fed. Reg. 75458 (Dec. 12, 2013).
The maximum civil penalty allowed by law of up to the greater of $250,000 per violation, or twice the value of the transaction that is the basis of the violation;\(^7\)

- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

If Teledyne LeCroy fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. \(^{15}\) C.F.R. §§ 766.6 and 766.7. If Teledyne LeCroy defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Teledyne LeCroy. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

Teledyne LeCroy is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. \(^{15}\) C.F.R. § 766.6. Teledyne LeCroy is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. \(^{15}\) C.F.R. §§ 766.3(a) and 766.4.

The Regulations provide for settlement without a hearing. \(^{15}\) C.F.R. § 766.18. Should Teledyne LeCroy have a proposal to settle this case, Teledyne LeCroy should transmit it to the attorney representing BIS named below.

Teledyne LeCroy is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Teledyne LeCroy may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: http://www.sba.gov/ombudsman/.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Teledyne LeCroy’s answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center
40 S. Gay Street
Baltimore, Maryland 21202-4022

In addition, a copy of Teledyne LeCroy’s answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Parvin R. Huda  
Room H-3839  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Parvin R. Huda is the attorney representing BIS in this case; any communications that Teledyne LeCroy may wish to have concerning this matter should occur through her. Ms. Huda may be contacted by telephone at (202) 482-5301.

Sincerely,

Douglas R. Hassebrock  
Director  
Office of Export Enforcement