

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

In the Matter of:	)	
	)	
STAT Medical (Pty), Ltd.	)	Docket. No: 05-BIS-07
43 Kya Sand Road	)	
Kya Sand	)	
Johannesburg 2163	)	
South Africa	)	
	)	
Respondent	)	

ORDER RELATING TO STAT MEDICAL (PTY), LTD.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has initiated an administrative proceeding against STAT Medical (Pty), Ltd. (“STAT Medical”), pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2005)) (“Regulations”),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),<sup>2</sup> through issuance of a charging letter to STAT Medical that alleged that STAT Medical committed two violations of the Regulations. Specifically, the charges are:

---

<sup>1</sup> The charged violations occurred in 2000 and 2003. The Regulations governing the violations at issue are found in the 2000 and 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000) and (2003)). The 2005 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 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 (2000)) (“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 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005 (70 Fed. Reg. 45273, August 5, 2005), has continued the Regulations in effect under IEEPA.

1. *One Violation of 15 C.F.R. § 764.2(b) - Aiding in the Export of Medical Defibrillators to Iran Without the Required U.S. Government Authorization:* On or about July 3, 2000, STAT Medical aided in the doing of an act prohibited by the Regulations by aiding in the export of medical defibrillators, items subject to both the Regulations (EAR99)<sup>3</sup> and the Iranian Transactions Regulations of the Treasury Department's Office of Foreign Assets Control ("OFAC"),<sup>4</sup> from the United States through South Africa, to Iran where authorization from OFAC as required by Section 746.7 of the Regulations had not been obtained. Specifically, STAT Medical agreed to complete documentation in connection with the shipment of defibrillators that was to be transhipped through South Africa to Iran and acted as an intermediary between the Iranian end-user and the U.S. exporter for the unauthorized transaction.
2. *15 C.F.R. § 764.2(g) - False Statement to Office of Export Enforcement Special Agents in the Course of an Investigation:* On or about April 17, 2003, in connection with an ongoing BIS, Office of Export Enforcement ("OEE") investigation concerning the transaction referenced in Charge One, STAT Medical made a false statement to OEE investigators. Specifically, STAT Medical told OEE investigators that it had not made any sales of defibrillators to Iran. This statement was false because, as referenced above, STAT Medical had participated in a sale of defibrillators to Iran.

---

<sup>3</sup> The term "EAR99" refers to items subject to the Regulations which are not listed on the Commerce Control List. *See* 15 C.F.R. § 734.3(c).

<sup>4</sup> *See* 31 C.F.R. § 560.204.

WHEREAS, BIS and STAT Medical have entered into a Settlement Agreement pursuant to Section 766.18(b) 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, that a civil penalty of \$14,000 is assessed against STAT Medical, which shall be paid 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.

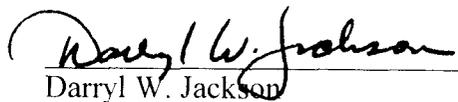
SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, STAT Medical will be assessed, 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 STAT Medical. Accordingly, if STAT Medical should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of STAT Medical's export privileges for a period of one year from the date of entry of this Order.

FOURTH, that the charging letter, the Settlement Agreement, this Order, and the record of this case as defined by Section 766.20 of the Regulations shall be made available to the public.

FIFTH, that the administrative law judge shall be notified that this case is withdrawn from adjudication.

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



Darryl W. Jackson  
Assistant Secretary of Commerce  
for Export Enforcement

Entered this 14<sup>th</sup> day of February 2005.

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

In the Matter of:	)	
	)	
STAT Medical (Pty), Ltd.	)	Docket. No: 05-BIS-07
43 Kya Sand Road	)	
Kya Sand	)	
Johannesburg 2163	)	
South Africa	)	
	)	
Respondent	)	

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between STAT Medical (Pty), Ltd. ("STAT Medical") and the Bureau of Industry and Security, U.S. Department of Commerce ("BIS") (collectively referred to as "Parties"), pursuant to Section 766.18(b) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2005)) ("Regulations"),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act"),<sup>2</sup>

<sup>1</sup> The charged violations occurred in 2000 and 2003. The Regulations governing the violations at issue are found in the 2000 and 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000) and (2003)). The 2005 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 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 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 (2000)) ("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 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005 (70 Fed. Reg. 45273, August 5, 2005), has continued the Regulations in effect under IEEPA.

b

WHEREAS, BIS has initiated an administrative proceeding against STAT Medical, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a charging letter to STAT Medical that alleged that STAT Medical committed two violations of the Regulations, specifically:

1. *One Violation of 15 C.F.R. § 764.2(b) - Aiding in the Export of Medical Defibrillators to Iran Without the Required U.S. Government Authorization:* On or about July 3, 2000, STAT Medical aided in the doing of an act prohibited by the Regulations by aiding in the export of medical defibrillators, items subject to both the Regulations (FAR99)<sup>3</sup> and the Iranian Transactions Regulations of the Treasury Department's Office of Foreign Assets Control ("OFAC"),<sup>4</sup> from the United States through South Africa, to Iran where authorization from OFAC as required by Section 746.7 of the Regulations had not been obtained. Specifically, STAT Medical agreed to complete documentation in connection with the shipment of defibrillators that was to be transhipped through South Africa to Iran and acted as an intermediary between the Iranian end-user and the U.S. exporter for the unauthorized transaction.
2. *15 C.F.R. § 764.2(g) - False Statement to Office of Export Enforcement Special Agents in the Course of an Investigation:* On or about April 17, 2003, in connection with an ongoing BIS, Office of Export Enforcement ("OEE") investigation concerning the transaction referenced above, STAT Medical made a

---

<sup>3</sup> The term "FAR99" refers to items subject to the Regulations which are not listed on the Commerce Control List. See 15 C.F.R. § 734.3(c).

<sup>4</sup> See 31 C.F.R. § 560.204.

false statement to OEE investigators. Specifically, STAT Medical told OEE investigators that it had not made any sales of defibrillators to Iran. This statement was false because STAT Medical had participated in a sale of defibrillators to Iran.

WHEREAS, STAT Medical has reviewed the 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, STAT Medical 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, STAT Medical enters into this Agreement voluntarily and with full knowledge of its rights;

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

WHEREAS, STAT Medical neither admits nor denies the allegations contained in the charging letter;

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

WHEREAS, STAT Medical agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over STAT Medical, under the Regulations, in connection with the matters alleged in the charging letter.

2. The following sanction shall be imposed against STAT Medical in complete settlement of the violation of the Regulations relating to the transaction specifically detailed in the charging letter:

- a. STAT Medical shall be assessed a civil penalty in the amount of \$14,000 which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order.
- b. The 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, permission, or privilege granted, or to be granted, to STAT Medical. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of STAT Medical's export privileges for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, STAT Medical 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 entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in the charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; (c) request any relief from the Order, if entered, including without limitation relief from the terms of a denial order under 15 C.F.R. § 764.3(a)(2); and (d) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order and timely payment of the \$14,000 civil penalty, BIS will not initiate any further administrative proceeding against STAT Medical in connection with any



violation of the Act or the Regulations arising out of the transactions identified in the charging letter.

5. BIS will make the charging letter, this Agreement, and the Order, if entered, and the record of the case as described in Section 766.20 of the Regulations available to the public.

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(b) 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 entered, 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.

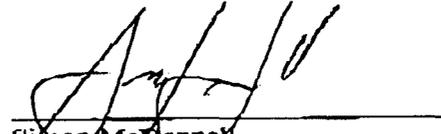
8. This Agreement shall become binding on BIS only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

u

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 INDUSTRY AND SECURITY  
U.S. DEPARTMENT OF COMMERCE

STAT MEDICAL (PTY) LTD.



Craig S. Burkhardt  
Acting Chief Counsel

Simon McDonnell  
Managing Director

Date: 2-9-06

Date: 11-1-06



JUN 23 2005

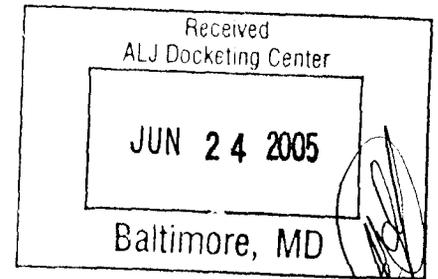


UNITED STATES DEPARTMENT OF COMMERCE  
Bureau of Industry and Security  
Washington, D.C. 20230

VIA: FEDEX

STAT Medical (Pty), Ltd.  
43 Kya Sand Road  
Kya Sand  
Johannesburg 2163  
South Africa

**COPY**



Attn: *Simon McDonnell*  
*Managing Director*

Dear Mr. McDonnell:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that STAT Medical (Pty) Ltd. of Johannesburg, South Africa ("STAT Medical"), has committed two violations of the Export Administration Regulations (the "Regulations"),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979 (the "Act").<sup>2</sup> Specifically, BIS charges that STAT Medical committed the following violations:

**Charge 1     15 C.F.R. § 764.2(b) - Aiding in the Export of Medical Defibrillators to Iran Without the Required U.S. Government Authorization**

On or about July 3, 2000, STAT Medical aided in the doing of an act prohibited by the Regulations by aiding in the export of medical defibrillators, items subject to both the

---

<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2005). The charged violations occurred in 2000 and 2003. The Regulations governing the violations at issue are found in the 2000 and 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000) and (2003)). The 2005 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 50 U.S.C. app. §§ 2401-2420 (2000). 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 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 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) 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 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 6, 2004 (69 Fed. Reg. 48763 (August 10, 2004)), has continued the Regulations in effect under the IEEPA.



Regulations (EAR99)<sup>3</sup> and the Iranian Transactions Regulations of the Treasury Department's Office of Foreign Assets Control ("OFAC"),<sup>4</sup> from the United States through South Africa, to Iran where authorization from OFAC as required by Section 746.7 of the Regulations had not been obtained. Specifically, STAT Medical agreed to complete documentation in connection with the shipment of defibrillators that was to be transhipped through South Africa to Iran and acted as an intermediary between the Iranian end-user and the U.S. exporter for the unauthorized transaction. In so doing, STAT Medical committed one violation of Section 764.2(b) of the Regulations.

**Charge 2      15 C.F.R. § 764.2(g) - False Statement to Office of Export Enforcement  
Special Agents in the Course of an Investigation**

On or about April 17, 2003, in connection with an ongoing BIS, Office of Export Enforcement ("OEE") investigation concerning the transaction referenced in Charge One, STAT Medical made a false statement to OEE investigators. Specifically, STAT Medical told OEE investigators that it had not made any sales of defibrillators to Iran. This statement was false because, as referenced in Charge One, STAT Medical had participated in a sale of defibrillators to Iran. In so doing, STAT Medical committed one violation of Section 764.2(g) of the Regulations.

STAT Medical 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:

The maximum civil penalty allowed by law of \$11,000 per violation;<sup>5</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

If STAT Medical 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. *See* 15 C.F.R. §§ 766.6 and 766.7. If STAT Medical defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to STAT Medical. The

---

<sup>3</sup> The term "EAR99" refers to items subject to the Regulations which are not listed on the Commerce Control List. *See* 15 C.F.R. § 734.3(c).

<sup>4</sup> *See* 31 C.F.R. § 560.204.

<sup>5</sup> *See* 15 C.F.R. § 6.4(a)(2).

Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on the each of the charges in this letter.

STAT Medical 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. *See* 15 C.F.R. § 766.6. STAT Medical is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. *See* 15 C.F.R. §§ 766.3(a) and 766.4.

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should STAT Medical have a proposal to settle this case, STAT Medical or its representative should transmit it to the attorney representing BIS named below.

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

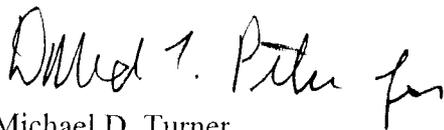
U.S. Coast Guard ALJ Docketing Center  
40 S. Gay Street  
Baltimore, Maryland 21202-4022

In addition, a copy of STAT Medical's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: David C. Recker, Esq.  
Room H-3839  
United States Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

David C. Recker is the attorney representing BIS in this case; any communications that STAT Medical may wish to have concerning this matter should occur through him. Mr. Recker may be contacted by telephone at (202) 482-5301.

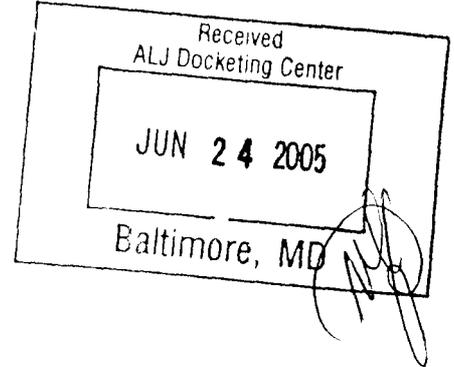
Sincerely,



Michael D. Turner  
Director  
Office of Export Enforcement

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

In the Matter of: )  
)  
STAT Medical (Pty), Ltd. )  
43 Kya Sand Road )  
Kya Sand )  
Johannesburg 2163 )  
South Africa )  
)  
Respondent )



NOTICE OF APPEARANCE

To: Office of the Administrative Law Judge and

STAT Medical (Pty), Ltd.  
43 Kya Sand Road  
Kya Sand  
Johannesburg 2163  
South Africa

*Attn: Simon McDonnell  
Managing Director*

In accordance with Section 766.4 of the Export Administration Regulations (codified at 15 C.F.R. Parts 730-774 (2005)) (the "Regulations"), the United States Department of Commerce ("Department") hereby files this Notice of Appearance. The Department is represented in this proceeding by the Office of Chief Counsel for Industry and Security. Craig S. Burkhardt is the Acting Chief Counsel for Industry and Security and Melissa B. Mannino is the Chief, Enforcement and Litigation Division. The attorney in the Office of Chief Counsel for Industry and Security who is primarily responsible for the above-captioned proceeding is David Recker. In Mr. Recker's absence, Mr. Burkhardt or Ms. Mannino may sign pleadings.

Dated this 23<sup>d</sup> day of June, 2005.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David C. Recker". The signature is written in a cursive style with a horizontal line underneath.

David C. Recker  
Office of Chief Counsel  
for Industry and Security  
U.S. Department of Commerce  
Room H-3839  
14th and Constitution Avenue, N.W.  
Washington, D.C. 20230  
(202) 482-5301