



EIB World Trade Headlines

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OFFICE OF FOREIGN ASSETS CONTROL

Iranian Transactions and Sanctions Regulations, 31 C.F.R. Part 560

GENERAL LICENSE 31 C.F.R. 560.530(a)(3)

Authorizing the exportation or reexportation
of medicine and medical supplies to Iran

LIST OF MEDICAL SUPPLIES (updated November 2, 2015)

The list below comprises the medical supplies defined in 31 C.F.R. 560.530(a)(3)(ii) General Medical Equipment and Supplies

- *Adhesive designed for human use
- *Adhesive remover designed for human use
- *Antiseptic wipes for human use (including alcohol, antimicrobial, benzalkonium, betadine, iodine, and witch hazel)
- *Beds: hospital beds, cribs, or bassinets; including mattresses, overlays, pillows, and bumpers
- *Blood lancets
- *Blood pressure monitors, gauges, cuffs, aneroids, or infusors
- *Bottles (prescription)
- *Cabinets: medical supply or pharmaceutical
- *Canes, crutches, walkers, rollators
- *Capnographs
- *Carts: medical, medical utility, medical supply, food service, or hospital laundry carts
- *Catheters – all sizes and types; including kits

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***OFFICE OF FOREIGN ASSETS CONTROL**

- *Chairs: exam, treatment, surgical, dental, or phlebotomy
- *Clinical basins, bowls, baths, pans, urinals, bags, and buckets; and holding devices for such items
- *Clinical swabs, applicators, specimen collectors, sponges, pads, tongue depressors, wooden spoons, cotton balls, or cotton rolls
- *Coils, guidewire
- *Contraceptives (inter-uterine devices (IUDs), hormonal therapy methods, barrier methods), and condoms
- *Continuous positive airway pressure (CPAP) systems and all components
- *Endoscopic devices including laryngoscopes, laparoscopes, anoscopes, proctoscopes, arthroscopes, sinusscopes, dermatoscopes, ophthalmoscopes, sigmoidoscopes, otoscopes, retinoscopes, or coloscopes
- *Floor mats: safety, anti-fatigue or special-purpose medical floor mats
- *Ear plugs and muffs
- *Ear syringes
- *Ear wax removers
- *Forceps
- *Guidewires, all
- *Human body or cadaver bags and shrouds
- *Human body positioners including pads, wedges, cradles, pillows, rests, straps, supports, and holders
- *Human specimen collectors and containers (e.g., urine, blood, tissue)
- *Humidifiers
- *Hydrocollator heating units
- *IV sets, bags, and armboards
- *Jars and containers designed for medical supplies and instruments less than 5 L internal volume
- *Lights and lamps: surgical, or medical exam, magnifying
- * prosthesis devices
- *Manikins: medical training, CPR
- *Medical bags for medical supplies and equipment; including pre-packed bags
- *Medical bandages, gauze, dressings, tape, swabs, sponges, and burn dressings
- *Medical carafes, cups, containers and tumblers
- *Medical casts, padding; and casting and removal equipment
- *Medical defibrillators
- *Medical diagnostic kits, point-of-care; including EAR99 reagents
- *Medical flowmeters: oxygen & air
- *Medical labels, labellers, stickers, forms, charts, signage, tags, cards, tape, wrist bands, documents, brochures, and graphics
- *Medical lavage systems
- *Medical linens (e.g., blankets, sheets, pillow cases, towels, washcloths, drapes, covers)
- *Medical penlights
- *Medical pumps
- *Medical scissors

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- *Medical tubing or hoses less than 2" diameter; including associated adaptors, connectors, caps, clamps, retainers, brackets, valves, washers, vents, stopcocks, or flow sensors; and peristaltic pumps with flowrates of less than 600 liters/hr for such tubing (note: does not include tubing made of butyl rubber or greater than 35% fluoropolymers)
- *Medicine cups
- *Monitor for glucose management
- *Non-electronic patient medical record file systems and organizers
- *Orthopedic supports, braces, wraps, shoes, boots, or pads
- *Orthopedic traction devices and tables
- *Oxygen apparatus, all
- *Paraffin baths
- *Patient heating and cooling devices: pads, packs, bottles, bags, warmers, blankets, patches, lamps, bags
- *Patient safety devices including vests, aprons, finger mitts, limb or body holders, jackets, belts, restraints, cuffs, straps, or protectors
- *Otology sponges
- *Patient transfer chairs, lifts, benches, boards, slides, discs, slings, and sheets
- *Patient vital-sign monitoring devices
- *Patient wheelchairs, chairs, gurneys, stretchers, mats, and cots
- *Privacy screens and curtains
- *Pulse oximeters
- *Reflex hammers
- *Refrigerator: compartmental for morgues
- *Safety poles, rails, handles, benches, grab bars, commode aids, and shower aids
- *Scales, stadiometers, rulers, sticks, tapes, protractors, volumeters, gauges, or calipers designed for human measurement
- *Single-use medical procedure trays and kits
- *Speculums
- *Spirometers
- *Splints
- *Stands: IV , instrument, solution, or hamper
- *Stethoscopes
- *Stools: designed for clinical use
- *Surgical sutures and staples; and removal kits
- *Syringes, aspirators, cannulas, and needles – all sizes and types; including kits
- *Tables: operating, exam, therapy, overbed, treatment, medical utility, or medical instrument
- *Telemetry pouches designed for human use
- *Tents: pediatric, aerosol, and mist
- *Thermometers for measuring human body temperature
- *Tourniquets
- *V entillator: adult and tubing and accessories
- *Warmers: bottle, gel, lotion, or blanket

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Anaesthesiology

- *Air bags and tidal volume bags
- *Air bellows
- *Anaesthesia circuits
- *Anaesthesia machines, vaporizers, nebulizers, and inhalers designed for individual human use
- *Anaesthesia masks (including laryngeal)
- *Anti-siphon equipment
- *Block and epidural trays packaged for individual use
- *Endotrach tubes
- *Head straps and harnesses
- *Hyperinflation systems
- *In-line filters and cartridges, thermometers, CO2 detectors, sodalime canisters, and temperature and moisture exchangers (note: gas mask canisters, other than sodalime canisters designed for anaesthesia systems, require a specific license)
- *Intubation sets, probes and related equipment
- *Anaesthesiometers
- *Oral airways
- *Peripheral nerve stimulators
- *Anaesthesia pressure tubes and controllers
- *Cardiopulmonary resuscitation (CPR) training manikins and lung bags
- *Vibration dampening mounts

Apparel

- *Medical gowns, scrubs, aprons, uniforms, lab coats, and coveralls; only those without integrated hoods
- *Patient clothing including gowns, slippers, underpads, or undergarments
- *Head or beard covers and nets
- *Medical shoe and boot covers
- *Surgical sleeve protectors
- *Ventilated Safety eyeshields and goggles (does not include full face shield or indirectly-vented goggles)
- *Disposable latex, nitrile, polyethylene, vinyl gloves/finger cots or other medical gloves
- *Surgical face or dust masks (does not include masks with respirators)

Cardiology

- *Ablation devices and accessories: radio frequency
- *Balloons extractor, retrieval
- *Cardiac monitors: implantable or external
- *Cardiac pacemakers
- *Cardiac programmers
- *Cardiopulmonary oxygenation systems, devices, and monitors

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- *Coagulation machines
- *Electrocardiography machines
- *Filters: arterial
- *Grafts: peripheral bypass
- *Heart positioners: surgical revascularization
- *Heart valves: surgical transcatheter (non-surgical)
- *Inflation devices: interventional

Dental equipment and supplies

- *Bone graft matrices
- *Dental and oral implants or devices
- *Dental instrument cases, trays, mats or tray liners, racks, covers, wraps, stands, holders, stringers, or protectors
- *Dental instruments – all types and sizes
- *Denture and temporary oral device containers
- *Dentures, crowns, molds, orthodontics, all
- *Tooth and denture brushes
- *Yankauers

Gynecology & Urology

- *Bladder control pads, briefs, liners, underwear, pants and diapers
- *Bladder scanners
- *Enema sets
- *Extracorporeal lithotripters
- *Fecal/stool management devices, kits, and catheters
- *Feminine hygiene products
- *Pouches, urostomy

Inherited Preventative Care

- *Genetic testing products

Laboratory

- *Autoclaves (20 liters or smaller only) for medical instrument sterilization and accessories
- *Automated blood culture systems
- *Automated clinical chemistry analyzers for patient care
- *Bench-top dry bath incubators
- *Clinical immunoassay analyzers
- *Clinical laboratory water baths less than 10 liter
- *Coagulation analyzers
- *Co-oximeters for haemoglobin analysis
- *Electrolyte analyzers
- *Flow cytometry accessories, reagents, and components
- *Hematology analyzers
- *Histology and cytology strainers and tissue baths
- *Laboratory balances and scales not to exceed 10 Kg
- *Laboratory hot plates with less than 1.0 sq. ft. heating surface

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- *Laboratory pH meter (with or without temperature probe)
- *Light microscopes
- *Luminometers
- *Medical bone densitometers
- *Medical differential counters
- *Medical refrigerators and freezers with less than 5.0 cu. ft. internal volume
- *Medical specimen centrifuges
- *Microplate readers/washers
- *Osmometers
- *Patient blood gas analyzers
- *Pipettes
- *Spectrophotometers, photometers, and colorimeters designed for clinical use
- *Urinalysis analyzers

Nephrology

- *Hemodialysis machines; and dialysis filters designed for such machines (Note: Other dialysis equipment, filters, and parts not used for hemodialysis require a specific license and may be controlled under 15 CFR, part. 774, supp. 1, ECCN 2B352.d)
- *Hemodialysis connection or tubing kits

Neurology

- *Electroencephalography machines
- *Neurostimulators, implantable

Obstetrics and Maternity Care

- *Assisted reproductive technology and related equipment
- *Incubators/Isolettes
- *Infant radiant warmer and parts and accessories
- *Neonatal equipment (phototherapy, nasal CPAP, etc. and all components)
- *Umbilical cord clamps
- *Ventilator: infant/pediatric and tubing and accessories

Ophthalmology and Optometry

- *Contact Lens cleaning solutions
- *Contact Lens cleaning solutions Contact Lenses, corrective
- *Eyecharts
- *Glasses, corrective
- *Phoropters
- *Tonomets
- *Vision/Optometry related machines and supplies

Otology and Neurotology

- *Hearing aids, accessories, and components

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Physical and Occupational Therapy

- *Aquatic floats and training devices
- *Balance pads, platforms, and beams
- *Bath cubes, therapy
- *Boots, mitts, and liners for therapeutic pain relief
- *Cognitive measuring devices and equipment
- *Dining aids
- *Electrotherapy, muscle stimulators, and tens units
- *Ergometers
- *Exercise bars
- *Exercise table
- *Fine motor assessment equipment designed for human use
- *Goniometers
- *Hand bars
- *Hydraulic dynamometer
- *Manipulation boards
- *Massaging equipment
- *Mat Platforms
- *Medical Whirlpools
- *Mobility platforms, parallel bars, ladders, stairs
- *Orthopedic shoes, boots, etc.
- *Parallel bars
- *Pedometers
- *Protective headgear
- *Rehabilitation exercise, weights, band, balls, boards, and mobility equipment
- *Rulonmeters
- *Scoliometer
- *Tactile sensation, sensitization, and desensitization equipment
- *Therapeutic putty
- *Ultrasound stimulators

Radiology

- *Computer tomography scanners (CT, MDCT)
- *Contrasting agents, both injectable or non-injectable
- *Magnetic resonance imaging (MRI) machines
- *Medical ultrasound machines
- *Medical/Dental film
- *Nuclear medicine imaging machines
- *Parts and accessories for medical imaging devices above that do not contain nuclear or chemical components
- *Positron Emission Tomography (PET)
- *PET cyclotron machines
- *PET radiopharmaceutical tracer machines, including cassettes
- *Scintillation Camera/Anger cameras for medical imaging
- *Single Photon Emission Computed Tomography (SPECT) machines
- *X-ray machines, including mammography machines

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Sterilization

- *Aseptic, germicidal, or disinfectant wipes or clothes for medical equipment, devices or furniture
- *Ready-to-use disinfectant in 32 oz. containers or less
- *Aseptic, germicidal, or medical-grade soap, detergent, pre-soak, or rinse in 1 gallon containers or less
- *Hand sanitizer, lotion, soap, scrub, wash, gel, or foam; including dispensing devices
- *Medical cleaning brushes for equipment, patients, and furniture
- *Sterilization or disinfection indicator strips, tape, or test packs
- *Medical instrument sterilization pouches, mats, protector guards, or tubing
- *Sterilization containers or cases less than 0.3 cu. ft.
- *Autoclaves with chamber size less than 0.3 cu. ft.; including trays, containers, cassettes, cases, and filters for such systems.

Surgery

- *Blood transfusion equipment
- *Cervical fusion kits
- *Chest drains
- *Cosmetic or reconstructive implants (jaw implants, breast implants, skin grafts)
- *Electrosurgery devices and supporting equipment
- *Lubricant specially-formulated for surgical equipment in 1 gallon containers or less
- *Orthopedic plates/screws, fixators, implants, cement
- *Stents – all types and sizes
- *Stockinettes
- *Surgical case carts
- *Surgical clean-up kits
- *Surgical clips
- *Surgical imaging machines; including image-guiding surgery products, ear, nose and throat
- *Surgical instrument cases, trays, mats or tray liners, racks, covers, wraps, stands, holders, stringers, or protectors
- *Surgical instruments – all types and sizes
- *Surgical linens, drapes, or covers
- *Surgical mesh
- *Surgical shunts
- *Surgical smoke evacuators and specialized supporting equipment
- *Tissue stabilizers, surgical revascularizations
- *Wound drainage equipment

EAR99-classified components, accessories, and optional equipment that are designed for and are for use with an EAR99-classified medical device included elsewhere on the list.

Former Connecticut Resident Sentenced to Over Eight Years in Prison for Attempting to Send U.S. Military Technology to Iran

Mozaffar Khazaei, 61, formerly of Manchester, Connecticut, was sentenced today to 97 months in prison and ordered to pay a \$50,000 fine by U.S. District Judge Vanessa L. Bryant of the District of Connecticut for violating the Arms Export Control Act by attempting to send to Iran highly sensitive, proprietary, trade secret and export controlled material relating to U.S. military jet engines, which he had stolen from multiple U.S. defense contractors where he had previously been employed.

Assistant Attorney General for National Security John P. Carlin, U.S. Attorney Deirdre M. Daly of the District of Connecticut, Special Agent in Charge Matthew Etre of U.S. Immigration and Customs Enforcement-Homeland Security Investigations (ICE-HSI) Boston, Assistant Director Randall C. Coleman of the FBI's Counterintelligence Division, Special Agent in Charge Craig W. Rupert of the Defense Criminal Investigative Service (DCIS) Northeast Field Office, Special Agent in Charge Danielle Angley of the Air Force Office of Special Investigations and Special Agent in Charge John McKenna of the Department of Commerce's Office of Export Enforcement Boston Office made the announcement.

"Mozaffar Khazaei exploited his privileged access to national security assets to steal highly sensitive military technology with the intent of providing it to Iran," said Assistant Attorney General Carlin. "Violations of the Arms Export Control Act, particularly those involving attempts to transfer sensitive defense technology to a foreign power, are among the most significant national security threats we face, and we will continue to leverage the criminal justice system to prevent, confront, and disrupt them."

"Mozaffar Khazaei betrayed his defense contractor employers and the national security interests of the United States by stealing and attempting to send to Iran voluminous documents containing highly sensitive U.S. defense technology," said U.S. Attorney Daly. "U.S. companies are being relentlessly targeted by those who seek to steal our intellectual property, our trade secrets and our advanced defense technology – whether through a computer hack or cyber intrusion, or through an insider or rogue employee. As this case demonstrates, we will aggressively investigate and hold accountable those who attempt to steal trade secrets and military technology from U.S. industries, whether for their own personal gain or for the benefit of foreign actors."

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“Stopping people like Mozaffar Khazaei from providing U.S. military technology to foreign powers is crucial to our national security interests,” said Special Agent in Charge Etre. “It’s abundantly clear from court records that this individual intended to harm U.S. interests both here and abroad. HSI will continue to work with our federal law enforcement partners to ensure that advanced U.S. military technology is not stolen and illegally exported for the benefit of foreign entities.” “Mr. Khazaei abused a position of trust and responsibility by stealing trade secrets and sensitive information belonging to defense contractors developing some of our most advanced aircraft,” said Assistant Director Coleman. “His actions could have put our national security at risk. Stopping his plan and holding him accountable for his betrayal was a whole-of-government effort. We will use all available legal means to pursue individuals willing to help our adversaries by stealing our technical know-how.”

“The evidence developed during this investigation and today’s sentencing of Mr. Khazaei illustrate the potential for harm to the U.S. through illegal exportation of sensitive documents and technology,” said Special Agent in Charge Rupert. “DCIS, along with our partner agencies, continues to prioritize and pursue these investigations to curtail any adverse impact to America’s warfighters and shield America’s investment in national defense.”

“This case was enabled by the outstanding teamwork amongst the many federal law enforcement agencies and U.S. Attorney’s office,” said Special Agent in Charge Angley. “Critical was the ability to leverage subject matter experts from the Air Force’s acquisition community who provided the technical assessments of the high value technology. While the conclusion of this case neutralized the threat of this particular person, it also highlights the need for continued and ever more vigilant protection of our critical technologies.”

“Today’s sentencing demonstrates the ongoing cooperation between the U.S. Department of Commerce and other federal law enforcement partners working together in unison to prevent sensitive U.S. origin technology from falling into the wrong hands,” said Special Agent in Charge McKenna.

According to court documents and statements made in court, at different times between 2001 and 2013, Khazaei, a dual citizen of Iran and the United States with a Ph.D. in mechanical engineering, was employed by three separate defense contractors. From at least 2009 through late 2013, Khazaei offered to provide trade secret, proprietary and export controlled defense technology that he had stolen from his U.S. employers to gain employment with state-controlled technical universities in Iran.

Beginning in late 2009, Khazaei corresponded by email with an individual in Iran to whom he attempted to send and in some cases did send documents containing trade secret, proprietary and export controlled material relating to the Joint Strike Fighter (JSF) Program. In one email Khazaei stated that the material he had attached was “very controlled . . . and I am taking [a] big risk.” Khazaei instructed the individual in Iran, “after downloading,” he should “delete everything immediately.”

Analysis of Khazaei’s computer media also revealed cover letters and application documents, dating from 2009 through late 2013, which Khazaei sent to multiple state-controlled technical universities in Iran. In those materials, Khazaei stated that as “lead engineer” in various projects with U.S. defense contractors, he had learned “key technique[s] that could be transferred to our own industry and universities.” Khazaei stated that he wanted to “move to Iran,” that he was “looking for an opportunity to work in Iran,” and that he was interested in “transferring my skill and knowledge to my nation.”

In or about November 2013, while residing in Connecticut, Khazaei attempted to send a large shipping container to Iran. The shipment included, in numerous boxes and on computer media, thousands of highly sensitive technical manuals, specification sheets, test results, technical drawings and data and other proprietary material relating to U.S. military jet engines, including those relating to the U.S. Air Force’s F35 JSF program and the F-22 Raptor. The materials in the interdicted shipment had been stolen from U.S. defense contractors where Khazaei had worked and many documents were prominently labeled with strict export control warnings. Khazaei did not apply for nor did he obtain any license to export any of the documents and the export or attempted export of such material to Iran is illegal.

On Jan. 9, 2014, Khazaei was arrested at the Newark Liberty International Airport before boarding a flight to Iran. Search warrants executed on Khazaei’s checked and carry-on luggage revealed additional hard copy documents and computer media containing sensitive, proprietary, trade secret and export controlled documents relating to U.S. military jet engines. Khazaei was also found in the possession of \$59,945.00 in as-yet undeclared cash, which he had split up into increments of approximately \$5,000 and secreted in multiple bank envelopes in various places in his carry-on luggage.

The hard copy and electronic material that Khazaei stole and sought to transfer to Iran totaled some 50,000 pages and was reviewed by experts from both the U.S. Air Force and the victim defense contractors.

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In addition to the materials relating to the JSF Program and the F-22 Raptor, Khazaee also had documents from numerous other U.S. military engine programs, including the V-22 Osprey, the C130J Hercules and the Global Hawk engine programs. In total, Khazaee sought to export approximately 1,500 documents containing trade secrets and approximately 600 documents containing highly sensitive defense technology.

According to analyses by the U.S. Air Force and victim defense contractors, the technical data that Khazaee stole would have helped Iran “leap forward” ten years or more in academic and military turbine engine research and development, reducing their investment in such technology by one to two billion dollars and potentially enhancing the development and effectiveness of their weapon systems.

Khazaee has been detained since his arrest on Jan. 9, 2014. On Feb. 25, 2015, he pleaded guilty to one count of unlawful export and attempted export of defense articles from the U.S. in violation of the Arms Export Control Act.

This case was investigated by the ICE-HSI’ New England Division, the FBI’s New Haven Division, the Defense Criminal Investigative Service in New Haven, the U.S. Air Force’s Office of Special Investigations in Boston and the Department of Commerce’s Office of Export Enforcement in Boston.

Assistant Attorney General Carlin and U.S. Attorney Daly also commended the efforts of the many other agencies and offices that were involved in this investigation, including the U.S. Attorney’s Offices of the Central District of California, the Southern District of Indiana and the District of New Jersey; ICE-HSI in Los Angeles; the U.S. Customs and Border Protection Service (CBP) in Los Angeles; the U.S. Air Force’s Office of Special Investigations in Los Angeles; as well as ICE-HSI, CBP and FBI in New Jersey; and HSI, FBI and DCIS in Indianapolis.

This case is being prosecuted by Assistant U.S. Attorney Stephen Reynolds of the District of Connecticut and Trial Attorney Brian Fleming of the Justice Department’s Counterintelligence and Export Control Section.

NEW ITAR AND DTRADE FORMS MUST USE BY NOV 26

Industry Notice: Updated Forms - In support of OMB form expiration date updates the following forms DS-2032, DSP -5, -6, -61, -62, -73, -74, -83, -85, -94, and -119 have been updated. Beginning Thursday, November 26, 2015, DTrade users must use version 9.1 for forms DSP-5, -6, -61, -62, -73 and -74. Additionally, DDTC users must use version 4.4 of the DS-2032, version 3.1 of the DSP-85, and version 2.0 of the DSP-83, -94, -119 must be used.

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Earlier versions of these forms will be rejected beginning November 26, 2015. To access the new Forms, [click here](#). (11.10.15)

Defendant Sentenced on Multiple Federal Charges in Connection with Purchase and Export of Luxury Vehicles to China

Acting United States Attorney Gregory J. Haanstad of the United States Attorney’s Office for the Eastern District of Wisconsin announced that, on October 27, 2015, Defendant Mao Peng (age: 26) of Shorewood, Wisconsin, was sentenced to 27 months in federal prison and ordered to pay \$517,265.72 in restitution by United States District Court Judge J.P. Stadtmueller.

Peng had previously been charged by criminal information with, and had pleaded guilty to, three federal felony offenses: conspiracy to engage in wire fraud, conspiracy to engage in identity theft, and conspiracy to misuse of the United States’ Automated Export System to further criminal activity.

According to the information and plea agreement, Peng had conspired to defraud the State of Wisconsin of state and local sales tax revenue in connection with the purchase of luxury vehicles, which Peng and his company Longen Trading intended to export to China, by fraudulently using Native American straw buyers to make those purchases in a tax-exempt manner. Specifically, Peng and Longen Trading used straw buyers in connection with the purchase of approximately 154 luxury vehicle purchase transactions, having a total purchase price of approximately \$9,132,106.94, and thereby evaded Longen Trading’s payment of a total of approximately \$515,964.04 in state and local sales taxes that Longen Trading was legally obligated to pay in connection with the purchase of those vehicles.

According to the information and a plea agreement, Peng and Longen Trading also conspired to cause luxury vehicles to be purchased for export, via identity theft, that is, by using means of identification that belonged to a past or prospective straw buyer, without that person’s permission to purchase the vehicle using his or her identity. Specifically, between in or about June 2012 and June 2014, Peng and Longen Trading conspired with others to purchase approximately 71 luxury vehicles, having a total purchase price of approximately \$4,212,945.06, using a means of identification belonging to another person, without that person’s knowledge or permission.

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According to the information and a plea agreement, between approximately June 2012 and June 2014, Peng and Longen Trading also conspired with others to use the Department of Commerce's Automated Export System ("AES") to further these illegal activities, in violation of 13 U.S.C. § 305(a)(2).

As a part of his plea agreement, Peng also agreed to the civil forfeiture of approximately \$1.2 million in funds seized from various bank accounts he controlled as well as 29 new luxury vehicles, including new Porsche, Mercedes Benz, and BMW vehicles.

Following the sentencing, Acting United States Attorney Gregory J. Haanstad stated: "As this case reflects, the United States Attorney's Office and the United States Department of Justice are committed to aggressively combatting both identity theft and tax evasion, in whatever form that tax evasion conduct might take. We are also committed to taking the profit out of crime and to obtaining just financial outcomes in our criminal cases through the judicious use of both asset forfeiture and restitution remedies."

Haanstad commended the investigative work that the United States Secret Service and United States Department of Commerce, Bureau of Industry & Security, Office of Export Enforcement conducted in this matter, along with the investigative assistance provided by the following state and local law enforcement agencies: the Wisconsin Department of Criminal Investigations, the Wisconsin Department of Transportation Investigations, the Milwaukee Police Department, the Oneida Police Department, the Menomonee Police Department, the Stockbridge-Munsee Police Department, the Kenosha Police Department, the Wauwatosa Police Department, the Waukesha Police Department, the Glendale Police Department, the Green Bay Police Department, the Milwaukee Secret Service Financial Crimes Task Force, and the Native American Drug and Gun Initiative Task Force.

Dan Clutch, Special Agent in Charge of the U.S. Department of Commerce, Bureau of Industry & Security, Office of Export Enforcement, Chicago Field Office, stated: "This sentencing sends a strong message to those who criminally misuse the Automated Export System to further illegal activity. This case is the result of outstanding collaborative investigative work between federal, state, local, and tribal law enforcement agencies."

This case was prosecuted by Assistant United States Attorney Scott J. Campbell.

In an Odd Twist of Fate:

With China's OK, Lockheed Martin to close on Sikorsky purchase

Washington – Lockheed Martin said on Tuesday that it has received a final regulatory approval from China, allowing it to close on its \$9 billion acquisition of Sikorsky Aircraft from United Technologies.

Lockheed Martin said completion of the regulatory review by the Ministry of Commerce of the People's Republic of China "marks the end of a successful and comprehensive regulatory review process in eight jurisdictions."

"With this final regulatory approval, we are one step closer to completing this historic acquisition," said Lockheed Martin CEO Marilyn Hewson. "Sikorsky brings a legacy of innovation and performance that perfectly complements Lockheed Martin's portfolio. We are excited to soon welcome the men and women of Sikorsky to our team."

The company said it "anticipates closing the acquisition" on Friday. The companies needed approval of their merger from all countries where either of them did business.

The merger provoked Pentagon acquisitions chief Frank Kendall to suggest congressional action may be required to allow the Pentagon to quash certain deals that may not be in the best interest of the Defense Department.

"This transaction is the most significant change at the weapon system prime level since the large-scale consolidation that followed the end of the Cold War," Kendall said. "This acquisition moves a high percentage of the market share for an entire line of products — military helicopters — into the largest defense prime contractor, a contractor that already holds a dominant position in high-performance aircraft due to the F-35 winner-take-all approach adopted over a decade ago."

But Connecticut's lawmakers praised Lockheed Martin for clearing its last regulatory hurdle.

"Approval of Lockheed Martin's acquisition of Sikorsky enabled their skilled and dedicated workforce to continue producing the world's best helicopters," said Sen. Richard Blumenthal, D-Conn.

Sen. Chris Murphy, D-Conn., said "this sale will be a win for the hardworking men and women at Sikorsky and for the servicemen and women who rely on their helicopters to defend our nation."

Camcopter S-100 Completes Successful Trials for the South African Navy

Schiebel's CAMCOPTER® S-100 Unmanned Air System (UAS) continues its successful shipboard trials when demonstrating its outstanding capabilities to the South African Navy from 20 to 23 October 2015 at False Bay, Western Cape, South Africa.

The maritime environment holds unique demands for situational awareness and timely communications. The CAMCOPTER® S-100 is a much needed asset for such requirements, specifically with its ability to persistently extend the "electronic eyes and ears" of maritime commanders to operational ranges well beyond those of the sensors on board. The South African Navy as well as a number of delegates from other South African governmental authorities could convince themselves of these capabilities near the Naval Base Simon's Town.

The S-100 conducted all flights from the deck of the SAS Protea, a Hecla class deepocean hydrographic survey vessel of the South African Navy. Turbulent head and crosswinds beyond 25 knots, limited deck size as well as lack of NATO landing grid represented exceptional challenges during the trials. The unmanned helicopter effortlessly conducted automatic takeoffs and landings and all other required maneuvers, thanks to its integrated GPS-independent positioning system, enabling pinpoint precision at a high dynamic range.



During the trials the payload of choice was the Selex ES SAGE Electronic Support Measure (ESM) system, rendering the CAMCOPTER® S-100 capable of detecting, identifying and geo-locating radio frequency sources while it routinely operates out to ranges of 200 km or remains on-station for periods of more than 6 hours. This system provides the perfect support for maritime surveillance missions or anti-piracy operations in which the South African Navy was interested.

QATAR Takes Dreamliner Deliveries

"Qatar Airways was the Middle East launch customer for the Dreamliner back in 2012, and it is certainly a milestone to accept our 24th and 25th 787s into our fleet today," said Qatar Airways Group Chief Executive, His Excellency Mr. Akbar Al Baker.

"This year we have launched six new destinations in our expanding global network and these 787s will enable even more of our passengers to experience the genuine difference offered by travelling in one of the world's latest aircraft. The larger windows with custom dimmers, the lower altitude cabin pressure with rapid air circulation, and the very latest in IFE and seat technology all provide our passengers with the five-star experience that they have come to expect from us as one of the world's leading airlines.

"Before the end of the year, we will also add two more destinations to our network, including Durban in South Africa, and next year we will launch services to Los Angeles in January, Sydney and Boston in March, Adelaide in May, and Atlanta in June, as well a double daily frequency to New York - all of which will enable more of our passengers to experience our award-winning services on the world's very latest aircraft, such as our new Dreamliners."

"We are proud that the 787 is playing an important role in the rapid expansion of Qatar Airways' network and serving international routes including long haul destinations," said Boeing Commercial Airplanes President and CEO Ray Conner. The Dreamliner helps the airline to meet its operational goals, while at the same time providing an unrivalled on-board experience for its passengers."

Qatar Airways will fly its 25th Dreamliner directly to its home in Doha, the State of Qatar, and then on to the Dubai Airshow where it will be on display.

Qatar Airways is one of the world's fastest growing airlines operating one of the youngest fleets in the sky, with 168 aircraft with an average age of under four years.

Made up of composite materials, the 787 Dreamliner is lighter and more fuel-efficient than any comparable aircraft of its size and range, and has unique features such as larger windows, reduced cabin noise and cleaner cabin air.

Qatar Airways 787 has 254 custom-made seats across its Business and Economy Class cabins with specially designed interiors. Business Class is configured 1-2-1 with 22 seats, while Economy has 232 seats in a 3-3-3 layout. All seats in Business Class are fully reclinable.

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The airline's 787s are the world's first fully connected Dreamliners with wireless facilities for passengers to remain in touch with friends and colleagues on the ground through the internet and SMS mobile texting across both the Business and Economy cabins.

Ground Combat System Upgrades Focus on Weight, Lethality

Ground combat vehicle modernization efforts are moving forward, on schedule and under budget, the ground combat systems program executive officer told reporters last week.

Designs and engineering change proposals for existing vehicles have been largely finished, contracts are being awarded and some vehicles are being delivered and tested, said Ground Combat Systems, or GCS, Program Executive Officer, or PEO, Brig. Gen. David Bassett.

"It's a really exciting time," he said. There's "plenty to keep us busy, new requirements emerging, and really great partnerships on how we can tailor the acquisition process, look hard at appropriate requirements, help our user understand what those requirements cost and make meaningful tradeoffs between desired capabilities."

The Stryker, for example, is undergoing a lethality upgrade that will include better turret fire control and advanced sensors and cannon systems for the Germany-based 2nd Cavalry Regiment.



In addition, a separate engineering change proposal, or ECP, covers both infantry and vehicle carriers, and will address power and cooling deficiencies, while also allowing the platform to accept the Army's communications network. Those prototypes have already been delivered to the Army, said Col. Glenn Dean, Stryker brigade combat team project manager.

"We are also looking at what we do for a fleet lethality solution. That will likely be a future ECP program or collection of programs. We're working with our user to define what that is. Certainly, a cannon solution is going to be part of that mix," said Dean, adding that other options are a weapons station with a javelin mount, extending the range of optics for a remote weapons station and using more netted long range advance scout surveillance systems.

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Ongoing Bradley fighting vehicle ECPs focus on suspension and track upgrades, larger engines and transmissions, improved power distribution and management, and eventually a lethality package, said Col. James Schirmer, program manager for armored fighting vehicles.

Upgrades for the M1 Abrams tank will ultimately focus on lethality, said retired Col. Andrew DiMarco, main battle tank systems project director. ECPs will make vehicles compatible with new 120 mm rounds, improve the tank's sights and sensors, and upgrade network capability and diagnostics, all while increasing fuel efficiency.

"Over the course of the war, all these vehicles added an awful lot of weight," Schirmer said. "The weight came from various kits that were each designed to address some new problem that cropped up in theater: a new threat, a new way of using the vehicles. Luckily we had margin. We had margin for space, weight and power that allowed us to add all those kits and adapt to a changing environment. The ECPs we're doing now are largely intended to buy back some of that capacity because the future's unknowable. In an uncertain world, our ability to adapt rapidly largely depends on the platform having some capacity to be able to make some changes."

Balancing vehicle weight against protection against budget is a challenge, the men agreed. For example, a vehicle built out of titanium would be much lighter, Bassett said, but the cost would be astronomical.

"I think sometimes you hear people say if you had active protection, it would change the relationship between weight and protection on vehicles," he said. "I think that's largely a fallacy. Active protection is effective against certain threat sets with certain characteristics. In order for us to be able to take weight out, you have to be taking other armor off that currently protects us against certain threats. That threat is diverse enough that APS isn't going to catch everything. You need a mix of capabilities.

"It's about affordable materials and it's about stopping a wide range of threats. When you think what the tank faces, it's antitank guided missiles, it's RPGs [rocket-propelled grenades], it's explosively-formed penetrators, which are typically fired at very close ranges so that an active protection system would have difficulty typically engaging such a threat. It's also vulnerable on penetrators, which are a really difficult threat without conventional armor."

Currently, they can upgrade a brigade of vehicles every 18 months, and they're saving money wherever they can. Last year, for example, PM Stryker saved \$53 million by refining its processes.

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However, he said that if the continuing funding resolution extends beyond December, they'll probably have to stop work on some of their programs. The Stryker lethality effort is mostly programmed for fiscal year 2016 dollars, for example. Any additional cuts, such as required by sequestration, "would break our modernization efforts on at least one of our major platforms. ... We're going to have to pick something and terminate it."

Industry Notice ECR Transition Timeline Extended

On October 3, 2013, DDTC published a final rule implementing initial revisions to the International Traffic in Arms Regulations pursuant to the President's Export Control Reform initiative (see 78 Fed.Reg. 61,750). The preamble to this rule set forth a "Transition Plan" advising that certain licenses, authorizations, and agreements would remain valid for a period of two years from the effective date of the rule (October 15, 2013). DDTC is modifying this guidance. The relevant excerpts from the Transition Plan, and updated guidance pertaining to those excerpts, are as follows:

- "A license or authorization issued by the Department will be effective for up to two years from the effective date of the revised USML category if all the items on the license or authorization have transferred to the export jurisdiction of the Department of Commerce." (78 Fed. Reg. 61,752)

Updated guidance: Licenses or authorizations that would otherwise expire at the conclusion of the referenced two-year period will remain valid for 48 months from the date of issuance, or as otherwise indicated on the license or authorization.

- "Approvals issued for agreements submitted prior to the effective date of the relevant revised USML category that contain transitioning and non transitioning items will remain valid until expired, unless they require an amendment, or for a period of two years from the effective date of the relevant final rule, whichever occurs first, unless otherwise revoked, suspended, or terminated." (78 Fed. Reg. 61,752)

Updated guidance: For agreements that would otherwise expire at the conclusion of the referenced two-year period, DDTC is extending the period of validity by one year.

- "Approvals issued for agreements submitted prior to the effective date of the relevant revised USML category that contain solely transitioning items will remain valid for a period of two years from the effective date of the relevant USML category, unless revoked, suspended, or terminated." (78 Fed. Reg. 61,752)

Updated guidance: For agreements that would otherwise expire at the conclusion of the referenced two-year period, DDTC is extending the period of validity by one year.

OFFICE OF FOREIGN ASSETS CONTROL

Foreign Narcotics Kingpin Sanctions Regulations 31 C.F.R. Part 598

GENERAL LICENSE NO. 1 Authorizing Certain Transactions and Activities to Liquidate and Wind Down Banco Continental, S.A.

(a) Except as provided in paragraph (b) of this general license, all transactions and activities otherwise prohibited by the Foreign Narcotics Kingpin Sanctions Regulations, 31 C.F.R. Part 598, that are for the liquidation and wind down of the Honduran bank, Banco Continental, S.A., including transactions and activities related to the preparation and submission of bids to acquire the assets of Banco Continental, S.A., are authorized through 12:01 a.m. eastern daylight time, December 12, 2015.

(b) This general license does not authorize:

(1) The unblocking of any property blocked pursuant to the Foreign Narcotics Kingpin Sanctions Regulations, 31 C.F.R. Part 598; or

(2) Any transactions or dealings otherwise prohibited by any Executive order or any other part of 31 C.F.R. Chapter V, or any transactions or dealings with any individual or entity other than Banco Continental, S.A. that is listed on the Office of Foreign Assets

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