

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

In the Matter of:

Bass Pro, LLC  
2500 E. Kearney  
Springfield, MO, 65898

Respondent

ORDER RELATING TO  
BASS PRO, LLC

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Bass Pro, LLC, of Springfield, Missouri (“Bass Pro”), of its intention to initiate an administrative proceeding against it pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),<sup>2</sup> through the issuance of a Proposed Charging Letter to Bass Pro that alleges that Bass Pro committed nine violations of the Regulations. Specifically, the charges are:

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2014). The charged violations occurred in 2010-2011. The Regulations governing the violations at issue are found in the 2010-2011 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2014 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 50 U.S.C. app. §§ 2401-2420 (2000). 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 8, 2013 (78 Fed. Reg. 49107 (Aug. 12, 2013)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 & Supp. IV 2010).

**Charges 1-9: 15 C.F.R. § 764.2(a) – Unlicensed Exports of Rifle Scopes to  
Canada, China and Cyprus**

On nine occasions between on or about June 2, 2010, and on or about June 29, 2011, Bass Pro engaged in conduct prohibited by the Regulations when it exported items subject to the Regulations from the United States to Canada, China and Cyprus without the required Department of Commerce authorization. Specifically, Bass Pro exported optical sighting devices, items subject to the Regulations and classified under Export Control Classification Number (ECCN) 0A987, and valued at approximately \$3,513. Items classified under ECCN 0A987 are controlled for Firearms Convention reasons when exported to Canada and for Crime Control reasons when exported to China and Cyprus, and pursuant, respectively, to Sections 742.7 and 742.17 of the Regulations, require a Department of Commerce license before they can be exported. In exporting these items to Canada, China and Cyprus without the required licenses, Bass Pro committed nine violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS and Bass Pro 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, Bass Pro shall be assessed a civil penalty in the amount of \$25,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of this Order.

SECOND, 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, Bass Pro 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, the full and timely payment of the civil penalty 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 Bass Pro. Accordingly, if Bass Pro should fail to pay the civil penalty in a full and timely manner, the undersigned may issue an order denying all of Bass Pro's export privileges under the Regulations for a period of one year from the date of failure to make such payment.

FOURTH, Bass Pro 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 Bass Pro'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, 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.

  
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David W. Mills  
Assistant Secretary of Commerce  
for Export Enforcement

Issued this 10th day of June, 2014.

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

In the Matter of:

Bass Pro, LLC  
2500 E. Kearney  
Springfield, MO, 65898

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Bass Pro, LLC, of Springfield, Missouri (“Bass Pro”), 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”),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (the “Act”).<sup>2</sup>

WHEREAS, Bass Pro filed a voluntary self-disclosure with BIS’s Office of Export Enforcement in accordance with Section 764.5 of the Regulations concerning the transactions at issue herein;

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

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2014). The charged violations occurred in 2010-2011. The Regulations governing the violations at issue are found in the 2010-2011 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2014 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 50 U.S.C. app. §§ 2401-2420 (2000). 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 8, 2013 (78 Fed. Reg. 49107 (Aug. 12, 2013)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 & Supp. IV 2010).

WHEREAS, BIS has issued a Proposed Charging Letter to Bass Pro that alleges that Bass Pro committed nine violations of the Regulations, specifically:

**Charges 1-9: 15 C.F.R. § 764.2(a) – Unlicensed Exports of Rifle Scopes to Canada, China and Cyprus**

On nine occasions between on or about June 2, 2010, and on or about June 29, 2011, Bass Pro engaged in conduct prohibited by the Regulations when it exported items subject to the Regulations from the United States to Canada, China and Cyprus without the required Department of Commerce authorization. Specifically, Bass Pro exported optical sighting devices, items subject to the Regulations and classified under Export Control Classification Number (ECCN) 0A987, and valued at approximately \$3,513. Items classified under ECCN 0A987 are controlled for Firearms Convention reasons when exported to Canada and for Crime Control reasons when exported to China and Cyprus, and pursuant, respectively, to Sections 742.7 and 742.17 of the Regulations, require a Department of Commerce license before they can be exported. In exporting these items to Canada, China and Cyprus without the required licenses, Bass Pro committed nine violations of Section 764.2(a) of the Regulations.

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

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

WHEREAS, Bass Pro neither admits nor denies the allegations contained in the Proposed Charging Letter; and

WHEREAS, Bass Pro agrees to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree, for purposes of this Settlement Agreement, as follows:

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

2. The following sanction shall be imposed against Bass Pro in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the Proposed Charging Letter:

a. Bass Pro shall be assessed a civil penalty in the amount of \$25,000, 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.

b. The full and timely payment of the civil penalty agreed to in Paragraph 2.a is hereby made condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Bass Pro. Failure to make full and timely payment of the civil penalty may result in the denial of all of Bass Pro'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, Bass Pro 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. Bass Pro waives and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, in connection with any 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 Bass Pro pays in full the civil penalty agreed to in Paragraph 2.a., above.

4. Bass Pro 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 Bass Pro'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. Upon issuance of the Order and full and timely payment of the civil penalty agreed to in Paragraph 2.a, above, BIS will not initiate any further administrative proceeding against Bass Pro 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 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



Douglas R. Hassebrock  
Director of Export Enforcement

BASS PRO, LLC



Larry K. Wilcher  
General Counsel  
Bass Pro, LLC

Date: 9 Jun 2014

Date: June 2, 2014



PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Bass Pro, LLC  
2500 E. Kearney  
Springfield, MO, 65898

*Attn: James Hagale  
Chief Executive Officer and President*

Dear Mr. Hagale:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Bass Pro, LLC, of Springfield, Missouri (“Bass Pro”), has committed nine violations of the Export Administration Regulations (the Regulations),<sup>1</sup> which issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).<sup>2</sup> Specifically, BIS charges that Bass Pro committed the following violations:

**Charges 1-9:            15 C.F.R. § 764.2(a) – Unlicensed Exports of Rifle Scopes to Canada, China and Cyprus**

As described in greater detail in the attached Schedule of Violations, which is incorporated by reference herein, on nine occasions between on or about June 2, 2010, and on or about June 29, 2011, Bass Pro engaged in conduct prohibited by the Regulations when it exported items subject to the Regulations from the United States to Canada, China and Cyprus without the required Department of Commerce authorization. Specifically, Bass Pro exported optical sighting devices, items subject to the Regulations and classified under Export Control Classification Number (ECCN) 0A987, and valued at approximately \$3,513. Items classified under ECCN 0A987 are controlled for Firearms Convention reasons when exported to Canada and for Crime Control reasons when exported to China and Cyprus, and pursuant, respectively, to Sections 742.7 and 742.17 of the Regulations, require a Department of Commerce license before they can

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2014). The charged violations occurred in 2010 and 2011. The Regulations governing the violations at issue are found in the 2010 and 2011 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2010 & 2011)). The 2014 Regulations set forth the procedures that currently apply to this matter.

<sup>2</sup> 50 U.S.C. app. §§ 2401-2420 (2000). 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)), as extended most recently by the Notice of August 8, 2013 (78 Fed. Reg. 49,107 (Aug. 12, 2013)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.* (2006 & Supp. IV 2010)).

be exported. In exporting these items to Canada, China and Cyprus without the required licenses, Bass Pro committed nine violations of Section 764.2(a) of the Regulations.

\* \* \* \* \*

Accordingly, Bass Pro 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 up to the greater of \$250,000 per violation or twice the value of the transaction that is the basis of the violation;<sup>3,4</sup>
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If Bass Pro 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 Bass Pro defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Bass Pro. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

Bass Pro 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. Bass Pro 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 Bass Pro have a proposal to settle this case, Bass Pro 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, Bass Pro' 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

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<sup>3</sup> International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

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

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

Sincerely,

Douglas R. Hassbrock  
Director  
Office of Export Enforcement

<b>Bass Pro, LLC Schedule of Violations</b>							
<b>Violation No.</b>	<b>Export Date</b>	<b>Product Name</b>	<b>Quantity</b>	<b>ECCN</b>	<b>Destination Country</b>	<b>Dollar Value</b>	<b>Charge</b>
1	6/2/2010	EOTech Holographic Sight	1	0A987	Canada	\$419.99	§764.2(a) Unlicensed Export
2	9/13/2010	EOTech Holographic Sight	1	0A987	Canada	\$419.99	§764.2(a) Unlicensed Export
3	9/15/2010	EOTech Holographic Sight	1	0A987	Canada	\$419.99	§764.2(a) Unlicensed Export
4	10/4/2010	EOTech Holographic Sight	1	0A987	Canada	\$419.99	§764.2(a) Unlicensed Export
5	12/6/2010	EOTech Holographic Sight	1	0A987	Canada	\$419.99	§764.2(a) Unlicensed Export
6	1/25/2011	EOTech Holographic Sight	1	0A987	Cyprus	\$419.99	§764.2(a) Unlicensed Export
7	1/26/2011	Rimfire Riflescopes and various other scopes	7	0A987	China	\$196.00	§764.2(a) Unlicensed Export
8	3/2/2011	RH Pursuit Scope and various other scopes	22	0A987	China	\$177.00	§764.2(a) Unlicensed Export
9	6/29/2011	Riflescope 3-9 x 40 and other scopes	22	0A987	China	\$620.00	§764.2(a) Unlicensed Export