

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

In the Matter of:)
)
Precision Image Corporation)
22424 76th Avenue Southeast)
Woodinville, WA 98072)
)

ORDER DENYING EXPORT PRIVILEGES

On October 28, 2013, in the U.S. District Court, Western District of Washington at Seattle, Precision Image Corporation, was convicted of violating Section 38 of the Arms Export Control Act (22 U.S.C. § 2778 (2012)) (“AECA”). Specifically, Precision Image Corporation willfully exported from the United States technical data designated on the United States Munitions List, International Traffic in Arms Regulations, namely, a PCB, Sensor Motherboard, H-1 Gyro, PESK-7571, which is covered by Category XII(f) of the United States Munitions List, without having obtained from the United States Department of State a license or written approval for the export of this technical data. Precision Image Corporation was sentenced to 3 years of probation, criminal fine of \$300,000 and an assessment of \$400.

Section 766.25 of the Export Administration Regulations (“EAR” or “Regulations”)¹ provides, in pertinent part, that “[t]he Director of the Office of Exporter

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2014). The Regulations issued pursuant to the Export Administration Act (50 U.S.C. app. §§ 2401-2420 (2000)) (“EAA”). Since August 21, 2001, the EAA 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 7, 2014 (79 Fed. Reg. 46959 (August 11, 2014)), has continued the Regulations in effect under the

Services, in consultation with the Director of the Office of Export Enforcement, may deny the export privileges of any person who has been convicted of a violation of the Export Administration Act (“EAA”), the EAR, or any order, license or authorization issued thereunder; any regulation, license, or order issued under the International Emergency Economic Powers Act (50 U.S.C. § 1701-1706); 18 U.S.C. §§ 793, 794 or 798; section 4(b) of the Internal Security Act of 1950 (50 U.S.C. § 783(b)), or section 38 of the Arms Export Control Act (22 U.S.C. § 2778).” 15 C.F.R. § 766.25(a); *see also* Section 11(h) of the EAA, 50 U.S.C. app. § 2410(h). The denial of export privileges under this provision may be for a period of up to 10 years from the date of the conviction. 15 C.F.R. § 766.25(d); *see also* 50 U.S.C. app. § 2410(h). In addition, Section 750.8 of the Regulations states that the Bureau of Industry and Security’s Office of Exporter Services may revoke any Bureau of Industry and Security (“BIS”) licenses previously issued in which the person had an interest in at the time of its conviction.

BIS has received notice of Precision Image Corporation’s conviction for violating the AECA, and have provided notice and an opportunity for Precision Image Corporation to make a written submission to BIS, as provided in Section 766.25 of the Regulations. BIS has received and reviewed a submission from Precision Image Corporation.

Based upon my review and consultations with BIS’s Office of Export Enforcement, including its Director, and the facts available to BIS, I have decided to deny Precision Image Corporation’s export privileges under the Regulations for a period of 10 years from the date of Precision Image Corporation’s conviction. I have also

International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.* (2006 & Supp. IV 2010)).

decided to revoke all licenses issued pursuant to the Act or Regulations in which Precision Image Corporation had an interest at the time of its conviction.

Accordingly, it is hereby **ORDERED**:

First, from the date of this Order until October 28, 2023, Precision Image Corporation, with a last known address of 22424 76th Avenue Southeast, Woodinville, WA 98072, and when acting for or on its behalf, its successors, assigns, directors, officers, employees, agents, or representatives, (the “Denied Person”), may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as “item”) exported or to be exported from the United States that is subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, License Exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
- C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

Second, no person may, directly or indirectly, do any of the following:

- A. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;

- B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Denied Person acquires or attempts to acquire such ownership, possession or control;
- C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Denied Person of any item subject to the Regulations that has been exported from the United States;
- D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
- E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by the Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

Third, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any other person, firm, corporation, or business organization related to Precision Image Corporation by ownership, control, position of responsibility,

affiliation, or other connection in the conduct of trade or business may also be made subject to the provisions of this Order in order to prevent evasion of this Order.

Fourth, in accordance with Part 756 of the Regulations, Precision Image Corporation may file an appeal of this Order with the Under Secretary of Commerce for Industry and Security. The appeal must be filed within 45 days from the date of this Order and must comply with the provisions of Part 756 of the Regulations.

Fifth, a copy of this Order shall be delivered to the Precision Image Corporation. This Order shall be published in the *Federal Register*.

Sixth, this Order is effective immediately and shall remain in effect until October 28, 2023.



Thomas Andrukonis
Acting Director
Office of Exporter Services

Issued this 26th day of March, 2015.