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OFFICE OF THE DIRECTOR
BUREAU OF POLITICO-MILITARY AFFAIRS
DEPARTMENT OF STATE

Washington, D.C.

March 20, 1979

In the Matter of

Smith and Wesson Company)	
Springfield, Massachusetts)	Docket No. M102
)	
<u>Respondent</u>)	

By letter of January 29, 1979, the Office of Munitions Control of the United States Department of State charged Smith and Wesson Company, a division of Bangor Punta Corporation, with violating the Mutual Security Act of 1954, as amended and supplemented, 22 U.S.C. §2778 (1976) and the rules and regulations issued thereunder. The alleged violations involve applications for licenses to export, and the exportation of, a total of 283 passive night vision systems to various consignees in France and the Federal Republic of Germany from January 1974 through May 1975. The administrative proceedings against Smith and Wesson Company were initiated pursuant to parts 127 and 128 of the International

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Traffic in Arms Regulations, 22 C.F.R. parts 127 and 128.

Without admitting or denying any violation of law or regulation, the respondent consented to an order for the purpose of terminating all proceedings under the International Traffic in Arms Regulations against it and its employees relating to the charges of January 29, 1979.

The Hearing Commissioner reports that he studied the facts and circumstances of this case and reviewed the consent proposal of the respondent. He stated that the respondent stipulated to the jurisdiction of the forum and although neither admitting or denying the alleged violations, has consented to the imposition of a civil penalty, as noted below. He recommends that the consent proposal be accepted.

Based on the foregoing, and the recommendations of the Hearing Commissioner, I find the agreed penalty is fair, reasonable, and consistent with the purposes of the Act and regulations. Therefore, pursuant to the authority delegated to me, it is

ORDERED

1. A civil penalty in the sum of ONE HUNDRED AND TWENTY THOUSAND DOLLARS (\$120,000) is imposed upon the respondent, Smith and Wesson Company.

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2. For a period of two (2) years from the date of this Order, respondent, Smith and Wesson Company, shall grant full access by designated representatives of the Office of Munitions Control to records and personnel of respondent, and to the extent of its capacity, shall facilitate such full and immediate access with respect to its agents and distributors, as may be desired by the Office of Munitions Control to assess and verify the adequacy of respondent's practices and procedures with respect to compliance and detection of possible future violations of laws and regulations relating to export controls. Such access shall include, but shall not be limited to:

(a) compliance procedures and other materials developed by Smith and Wesson Company;

(b) operations of Smith and Wesson Company's offices and plants;

(c) records pertaining to control of Smith and Wesson Company's overseas distribution of exports subject to the International Traffic in Arms Regulations; and

(d) reports, if any, prepared by Smith and Wesson Company's outside consultants (other than attorneys) concerning compliance with the International Traffic in Arms Regulations.

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3. Smith and Wesson Company shall promptly remedy any deficiencies in its compliance practices and procedures as may be necessary, when so notified by the Office of Munitions Control.

This Order is effective immediately.

Isabel H. Felb

Director

Dated 3/20/79

Bureau of Politico-Military Affairs