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**BIS IMPOSES ADMINISTRATIVE PENALTY OF \$215,000 TO RESOLVE ALLEGATIONS OF DIVERSION OF OIL TANK EQUIPMENT THROUGH THE UNITED ARAB EMIRATES TO IRAN**

**WASHINGTON** – On July 19, 2021, Kevin J. Kurland, the Acting Assistant Secretary for Export Enforcement, Bureau of Industry and Security (BIS) of the U.S. Department of Commerce, announced an administrative settlement with Alfa Laval US of Richmond, VA (Alfa Laval US) and Alfa Laval Middle East Ltd. of the United Arab Emirates (Alfa Laval Middle East), which includes a civil penalty payment of \$215,000. Alfa Laval US and Alfa Laval Middle East, as a condition with the settlement with BIS, also agreed to settle with the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) for an additional penalty payment. With these settlements, the parties will pay a total of \$432,570 to the U.S. Government (\$215,000 to BIS and \$217,570 to OFAC) related to allegations of unauthorized shipment of storage tank cleaning equipment to Iran.

“BIS will not tolerate U.S. companies illegally supporting Iran’s petroleum sector. Iran uses profits from petroleum to fund international malign activities,” said Mr. Kurland. “Exporters that facilitate prohibited transactions and falsify end users to divert goods to Iran are warned that we will find you and there will be significant costs imposed.”

The BIS settlement resolved allegations that the operations of Alfa Laval US, located in Exton, Pennsylvania (“Alfa Laval Tank”), and Alfa Laval Middle East knowingly exported two Alfa Laval Gamajet 10 automated tank cleaning machines used to clean underground storage tanks, including oil storage tanks. The items were valued at approximately \$18,585 and designated under the Export Administration Regulations as EAR99, a designation for items subject to the Regulations but not listed on the Commerce Control List. Alfa Laval Tank received sales inquiries directly from Iran and through Alfa Laval Middle East. Both Alfa Laval Tank and Alfa Laval Middle East were informed that the U.S. embargo on Iran prohibited most U.S. items from going to Iran. They falsely listed Alfa Laval’s distributor in the United Arab Emirates (UAE) as the ultimate consignee, when, in fact, the items were destined for and ultimately shipped to Iran. The unlicensed shipment was discovered when BIS conducted a post-shipment verification at Alfa Laval’s distributor in the UAE.

“This settlement once again demonstrates the Office of Export Enforcement’s commitment to enforcing our nation’s export control laws,” said Special Agent in Charge Jonathan Carson, New York Field Office. “The use of the United Arab Emirates as a false final destination for shipments going to Iran will aggressively be enforced. In this case, through excellent

investigative work and utilizing the unique tools available to BIS, including post-shipment verifications, OEE was able to detect the violation and impose today's penalty.”

BIS's mission is to advance U.S. national security and foreign policy objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership. Among its enforcement efforts, BIS is committed to preventing U.S.-origin items from supporting Weapons of Mass Destruction (WMD) projects, terrorist activities, or destabilizing military modernization programs. For more information, please visit [www.bis.doc.gov](http://www.bis.doc.gov).