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

In the Matter of:	)
	)
	)
Viking Corporation	)
210 N. Industrial Park Road	)
Hastings, MI 49058	)
	)
	)
Respondent	)

ORDER RELATING TO VIKING CORPORATION

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS") has notified Viking Corporation ("Viking Corp"), of its intention to initiate an administrative proceeding against Viking Corp pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2007)) (the "Regulations"),[1] and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the "Act"),[2] through issuance of a proposed charging letter to Viking Corp that alleged that Viking Corp committed two violations of the Regulations. Specifically, the charges are:

[1] The violations alleged to have been committed occurred between 2001 and 2002. The Regulations governing the violations at issue are found in the 2001 through 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2002)). The 2007 Regulations establish the procedures that apply to this matter.

[2] 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 2, 2006 (71 Fed. Reg. 44,551 (Aug. 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000) ("IEEPA").

Charge 1 15 C.F.R. § 764.2(a): Export of Fire Extinguishing Equipment to Iran without the Required U.S. Government authorization

Between on or about December 18, 2001 and on or about January 4, 2002, Viking Corp engaged in conduct prohibited by the Regulations by exporting fire extinguishing equipment, items subject to the Regulations and classified as EAR99 to Iran without the required U.S. Government authorization. Specifically, Viking Corp exported fire extinguishing equipment through the United Arab Emirates ("UAE") to Iran. Pursuant to Section 560.204 of the Iranian Transactions Regulations[3] maintained by the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the Iranian Transactions Regulations without authorization from OFAC. No such authorization was obtained for the export described herein. In engaging in this activity, Viking Corp committed one violation of Section 764.2(a) of the Regulations.

Charge 2 15 C.F.R. § 764.2(c): Attempted Export of Fire Extinguishing Equipment to Iran without the Required U.S. Government authorization

Between on or about January 31, 2002 and on or about February 13, 2002, Viking Corp engaged in conduct prohibited by the Regulations by attempting to export fire extinguishing equipment, items subject to the Regulations and classified as EAR99, to Iran without the required U.S. Government authorization. Specifically, Viking Corp forwarded fire extinguishing equipment to a freight forwarder for export through the United Arab Emirates ("UAE") to Iran. Pursuant to Section 560.204 of the Iranian Transactions Regulations maintained by the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the Iranian Transactions Regulations without authorization from OFAC. No such authorization was obtained for the export described herein. In engaging in this activity, Viking Corp committed one violation of Section 764.2(c) of the Regulations.

WHEREAS, BIS and Viking Corp 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

[3] 31 CFR § 560

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of $22,000 is assessed against Viking Corp, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, 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, Viking Corp 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, that the timely payment of the civil penalty set forth above 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 Viking Corp. Accordingly, if Viking Corp should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Viking Corp's export privileges for a period of one year from the date of entry of this Order.

FOURTH, that Viking Corp shall perform an audit of its internal compliance program within 12 months from the date of entry of this Order. Said audit shall be in substantial compliance with the Export Management Systems audit module, which is available from the BIS website at http://www.bis.doc.gov/complianceandenforcement/ExportManagementSystems.htm, which is incorporated by reference. A copy of said audit report shall be transmitted to the Office of Export Enforcement, 2400 East Devon Avenue, Suite 300, Des Plaines, Illinois 60018 no later than 13 months from the date of entry of the Order.

FIFTH, that 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.

Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 26th day of July, 2007.

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

In the Matter of:	)
	)
	)
Viking Corporation	)
210 N. Industrial Park Road	)
Hastings, MI 49058	)
	)
	)
Respondent	)

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Viking Corporation ("Viking Corp"), 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 (currently codified at 15 C.F.R. Parts 730-774 (2007)) (the "Regulations"),[1] issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the "Act"),[2]

WHEREAS, BIS has notified Viking Corp of its intention to initiate an administrative proceeding against Viking Corp, pursuant to the Act and the Regulations;

[1] The violations alleged to have been committed occurred between 2001 and 2002. The Regulations governing the violations at issue are found in the 2001 through 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2002)). The 2007 Regulations establish the procedures that apply to this matter.

[2] 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 2, 2006 (71 Fed. Reg. 44,551 (Aug. 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000) ("IEEPA").

WHEREAS, BIS has issued a proposed charging letter to Viking Corp that alleged that Viking Corp committed two violations of the Regulations, specifically:

Charge 1 15 C.F.R. § 764.2(a): Export of Fire Extinguishing Equipment to Iran without the Required U.S. Government authorization

Between on or about December 18, 2001 and on or about January 4, 2002, Viking Corp engaged in conduct prohibited by the Regulations by exporting fire extinguishing equipment, items subject to the Regulations and classified as EAR99 to Iran without the required U.S. Government authorization. Specifically, Viking Corp exported fire extinguishing equipment through the United Arab Emirates ("UAE") to Iran. Pursuant to Section 560.204 of the Iranian Transactions Regulations[3] maintained by the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the Iranian Transactions Regulations without authorization from OFAC. No such authorization was obtained for the export described herein. In engaging in this activity, Viking Corp committed one violation of Section 764.2(a) of the Regulations.

Charge 2 15 C.F.R. § 764.2(c): Attempted Export of Fire Extinguishing Equipment to Iran without the Required U.S. Government authorization

Between on or about January 31, 2002 and on or about February 13, 2002, Viking Corp engaged in conduct prohibited by the Regulations by attempting to export fire extinguishing equipment, items subject to the Regulations and classified as EAR99, to Iran without the required U.S. Government authorization. Specifically, Viking Corp forwarded fire extinguishing equipment to a freight forwarder for export through the United Arab Emirates ("UAE") to Iran. Pursuant to Section 560.204 of the Iranian Transactions Regulations maintained by the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the Iranian Transactions Regulations without authorization from OFAC. No such authorization was obtained for the export described herein. In engaging in this activity, Viking Corp committed one violation of Section 764.2(c) of the Regulations.

---

[3] 31 CFR § 560

WHEREAS, Viking Corp has reviewed the proposed charging letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true;

WHEREAS, Viking Corp 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, Viking Corp enters into this Agreement voluntarily and with full knowledge of its rights;

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

WHEREAS, Viking Corp neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, Viking Corp wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, Viking Corp agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Viking Corp , under the Regulations, in connection with the matters alleged in the proposed charging letter.

2. The following sanction shall be imposed against Viking Corp in complete settlement of the alleged violations of the Regulations relating to the transactions detailed in the proposed charging letter:

   a. Viking Corp shall be assessed a civil penalty in the amount of $22,000, all of which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order.

b. The timely payment of the civil penalty agreed to in paragraph 2.a is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Viking Corp. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Viking Corp's export privileges for a period of one year from the date of imposition of the penalty.

c. Viking Corp shall perform an audit of its internal compliance program within 12 months of the date of entry of the Order. Said audit shall be in substantial compliance with the Export Management System audit module, which is available from the BIS website at http://www.bis.doc.gov/complianceandenforcement/ExportManagementSystems.htm, which is incorporated by reference. A copy of said audit report shall be transmitted to the Office of Export Enforcement, High Point Plaza, 4415 West Harrison Street, Suite 530, Hillside, IL 60162, no later than 13 months from the date of entry of the Order.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Viking Corp 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 entered), 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 entered; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order and timely payment of the $22,000 civil penalty, BIS will not initiate any further administrative proceeding against Viking Corp in connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed charging letter.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.

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 entered, 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 entering 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. 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

John McKenna
Acting Director
Office of Export Enforcement

Date: 7/27/07

VIKING CORPORATION

Chris Dugan, Esq.
Behnam Dayanim, Esq.
Paul, Hastings, Janofsky & Walker LLP
Attorneys for Viking Corporation

Date: 7/25/07

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Viking Corporation
210 N. Industrial Park Road
Hastings, MI 49058

Attn: *Kevin Ortyl*
Chief Executive Officer

Dear Mr. Ortyl:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Viking Corporation of Hastings, Michigan ("Viking Corp") has committed two violations of the Export Administration Regulations (the "Regulations"),[1] which are issued under the authority of the Export Administration Act of 1979, as amended (the "Act").[2] Specifically, BIS charges that Viking Corp committed the following violations:

Charge 1 15 C.F.R. § 764.2(a): Export of Fire Extinguishing Equipment to Iran without the Required U.S. Government authorization

Between on or about December 18, 2001 and on or about January 4, 2002, Viking Corp engaged in conduct prohibited by the Regulations by exporting fire extinguishing equipment, items subject to the Regulations and classified as EAR99 to Iran without the required U.S. Government authorization. Specifically, Viking Corp exported fire extinguishing equipment through the United Arab Emirates ("UAE") to Iran. Pursuant to Section 560.204 of the Iranian Transactions Regulations[3] maintained by the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the Iranian Transactions Regulations without authorization from OFAC. No such authorization was obtained for the export described herein. In engaging in this activity, Viking Corp committed one violation of Section 764.2(a) of the Regulations.

[1] The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2007). The charged violations occurred between 2001- 2002. The Regulations governing the violations at issue are found in the 2001-2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2002)). The 2007 Regulations set forth the procedures that apply to this matter.

[2] 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 2, 2006 (71 Fed. Reg. 44,551 (Aug. 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000) ("IEEPA"). The Act and the Regulations are available on the Government Printing Office website at: *http://www.access.gpo.gov/bis/.*

[3] 31 CFR § 560

Charge 2 15 C.F.R. § 764.2(c): Attempted Export of Fire Extinguishing Equipment to Iran without the Required U.S. Government authorization

Between on or about January 31, 2002 and on or about February 13, 2002, Viking Corp engaged in conduct prohibited by the Regulations by attempting to export fire extinguishing equipment, items subject to the Regulations and classified as EAR99, to Iran without the required U.S. Government authorization. Specifically, Viking Corp forwarded fire extinguishing equipment to a freight forwarder for export through the United Arab Emirates ("UAE") to Iran. Pursuant to Section 560.204 of the Iranian Transactions Regulations maintained by the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the Iranian Transactions Regulations without authorization from OFAC. No such authorization was obtained for the export described herein. In engaging in this activity, Viking Corp committed one violation of Section 764.2(c) of the Regulations.

* * * * * * * *

Accordingly, Viking Corp 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 $11,000 per violation;[4]
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

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

Viking Corp 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. Viking Corp 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.

[4] 15 C.F.R. § 6.4(a)(4).

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should Viking Corp have a proposal to settle this case, Viking Corp 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, Viking Corp's 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

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

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

Gregory Michelsen is the attorney representing BIS in this case; any communications that Viking Corp may wish to have concerning this matter should occur through her. Mr. Michelsen may be contacted by telephone at (202) 482-5301.

Viking Corp is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Viking Corp may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: http://www.sba.gov/ombudsman/.

Sincerely,

John McKenna
Acting Director
Office of Export Enforcement