

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

In the Matter of:

Integra Technologies, Inc.  
321 Coral Circle  
El Segundo, CA 90245

ORDER RELATING TO  
INTEGRA TECHNOLOGIES, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Integra Technologies, Inc. of El Segundo, California (“Integra”) of its intention to initiate an administrative proceeding against Integra pursuant to Section 766.18(a) of the Export Administration Regulations (the “Regulations”),<sup>1</sup> through the issuance of a Proposed Charging Letter to Integra that alleges that Integra committed 94 violations of the Regulations.<sup>2</sup> Specifically:

**Charges 1-94      15 CFR. § 764.2(a) – Engaging in Prohibited Conduct**

On 94 occasions between on or about February 27, 2023 and on or about October 27, 2023, Integra engaged in conduct prohibited by the Regulations when it sold and exported items subject to the EAR and designated EAR99 with Harmonized Tariff Schedule-6 (HTS) code 854129, including transistors and related products valued at approximately \$6,679,009, via two third-party distributors to eight different Russian end users—all without the requisite license or authorization from BIS. Pursuant to Section 746.5<sup>3</sup> of the Regulations, a BIS export license was required before the items could be exported to Russia. By engaging in

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<sup>1</sup> The Regulations are issued under the authority of the Export Control Reform Act of 2018, Title XVII, Subtitle B of Pub. L. 115-232, 132 Stat. 2208 (“ECRA,” 50 U.S.C. §§ 4801-4852).

<sup>2</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2024). The charged violations occurred in 2023. The Regulations governing the violations at issue are found in the 2023 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2023)). The 2024 Regulations set forth the procedures that apply to this matter.

<sup>3</sup> While the applicable license requirement at the time of the violations was found in Section 746.5, the same requirement has since been moved to Section 746.8(a)(5), pursuant to a June 2024 amendment to the EAR. 89 Fed. Reg. 51644 (June 18, 2024).

the above-described conduct, Integra committed 94 violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS and Integra 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;

WHEREAS, Integra admits committing the alleged conduct described in the Proposed Charging Letter; and

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

IT IS THEREFORE ORDERED:

FIRST, Integra shall be assessed a civil penalty in the amount of \$3,300,000. Integra shall pay the U.S. Department of Commerce \$1,800,000 in twelve installments of: \$150,000 not later than 30 days from the date of the Order; \$150,000 not later than March 30, 2025; \$150,000 not later than June 30, 2025; \$150,000 not later than September 30, 2025; \$150,000 not later than December 30, 2025; \$150,000 not later than March 30, 2026; \$150,000 not later than June 30, 2026; \$150,000 not later than September 30, 2026; \$150,000 not later than December 30, 2026; \$150,000 not later than March 30, 2027; \$150,000 not later than June 30, 2027; and \$150,000 not later than September 30, 2027. Payment of the remaining \$1,500,000 shall be suspended<sup>4</sup> for a period of three years from the date of this order, and thereafter shall be waived, provided that during this probationary period Integra has timely paid \$1,800,000 to the U.S. Department of Commerce pursuant to the payment schedule set forth above, and has otherwise complied with the provisions of the Settlement Agreement and Order. If Integra fails to comply with any of the

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<sup>4</sup> BIS agreed to suspend a portion of the monetary penalty based on a demonstrated limited ability to pay in accordance with BIS's penalty guidance. See Supplement No. 1 to 15 C.F.R. Part 766.

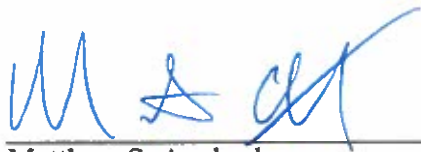
provisions of the Settlement Agreement and Order, the \$1,500,000 suspended portion of the civil penalty may be activated and become immediately due and owing in full.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2012)), 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 dates specified herein, Integra 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 full and timely payment of the civil penalty in accordance with the payment schedule 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 Integra. Accordingly, if Integra should fail to pay the civil penalty in a full and timely manner, the undersigned may issue an order denying all of Integra's export privileges under the Regulations for a period of one year from the date of failure to make such payment.

FOURTH, 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.



Matthew S. Axelrod  
Assistant Secretary of Commerce  
for Export Enforcement

Issued this 17<sup>th</sup> day of December, 2024.

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

In the Matter of:

Integra Technologies, Inc.  
321 Coral Circle  
El Segundo, CA 90245

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Integra Technologies, Inc. of El Segundo, California (“Integra”), 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>

WHEREAS, BIS has notified Integra of its intentions to initiate an administrative proceeding against Integra pursuant to the Regulations;<sup>2</sup>

WHEREAS, BIS has issued a Proposed Charging Letter to Integra that alleges that Integra committed 94 violations of the Regulations, specifically:

**Charges 1-94            15 CFR. § 764.2(a) – Engaging in Prohibited Conduct**

On 94 occasions between on or about February 27, 2023 and on or about October 27, 2023, Integra engaged in conduct prohibited by the Regulations when it sold and exported items subject to the EAR and designated EAR99 with Harmonized Tariff Schedule-6 (HTS) code 854129, including transistors and related products valued at approximately \$6,679,009, via two third-party distributors to eight different Russian end users—all without the requisite

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<sup>1</sup> The Regulations are issued under the authority of the Export Control Reform Act of 2018, Title XVII, Subtitle B of Pub. L. 115-232, 132 Stat. 2208 (“ECRA,” 50 U.S.C. §§ 4801-4852).

<sup>2</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2024). The charged violations occurred in 2023. The Regulations governing the violations at issue are found in the 2023 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2023)). The 2024 Regulations set forth the procedures that apply to this matter.

license or authorization from BIS. Pursuant to Section 746.5<sup>3</sup> of the Regulations, a BIS export license was required before the items could be exported to Russia. By engaging in the above-described conduct, Integra committed 94 violations of Section 764.2(a) of the Regulations.

WHEREAS, Integra 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, Integra has reviewed, with the assistance of counsel, the terms of this Agreement, 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, and the Proposed Charging Letter, and understands the terms of all three documents;

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

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

WHEREAS, Integra filed a voluntary self-disclosure, and assisted the Office of Export Enforcement with its investigation relating to this matter;

WHEREAS, Integra admits committing the alleged conduct described in the Proposed Charging Letter; and

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

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

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<sup>3</sup> While the applicable license requirement at the time of the violations was found in Section 746.5, the same requirement has since been moved to Section 746.8(a)(5), pursuant to a June 2024 amendment to the EAR. 89 Fed. Reg. 51644 (June 18, 2024).

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

2. The following sanctions shall be imposed against Integra:

a. Integra shall be assessed a civil penalty in the amount of \$3,300,000.

Integra shall pay the U.S. Department of Commerce \$1,800,000 in twelve installments of: \$150,000 not later than 30 days from the date of the Order; \$150,000 not later than March 30, 2025; \$150,000 not later than June 30, 2025; \$150,000 not later than September 30, 2025; \$150,000 not later than December 30, 2025; \$150,000 not later than March 30, 2026; \$150,000 not later than June 30, 2026; \$150,000 not later than September 30, 2026; \$150,000 not later than December 30, 2026; \$150,000 not later than March 30, 2027; \$150,000 not later than June 30, 2027; and \$150,000 not later than September 30, 2027. Payment of the remaining \$1,500,000 shall be suspended<sup>4</sup> for a period of three years from the date of this order, and thereafter shall be waived, provided that during this probationary period Integra has timely paid \$1,800,000 to the U.S. Department of Commerce pursuant to the payment schedule set forth above, and has otherwise complied with the provisions of the Settlement Agreement and Order. If Integra fails to comply with any of the provisions of the Settlement Agreement and Order, the \$1,500,000 suspended portion of the civil penalty may be activated and become immediately due and owing in full. Payment shall be made in the manner specified in the attached instructions.

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<sup>4</sup> BIS agreed to suspend a portion of the monetary penalty based on a demonstrated limited ability to pay in accordance with BIS's penalty guidance. See Supplement No. 1 to 15 C.F.R. Part 766.

b. The full and timely payment of the civil penalty agreed to in Paragraph 2.a 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 Integra. Failure to make full and timely payment of the civil penalty may result in the denial of all of Integra'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 7 hereof, Integra hereby waives all rights to further procedural steps in this matter (except the procedural steps set forth in Sections 766.17(c) and 766.18(c) of the Regulations with respect to the possible activation of suspended sanctions due to a violation 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. Integra also waives and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, in connection with any violation of ECRA 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 Integra pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement.

4. BIS agrees that upon successful compliance in full with the terms of this Agreement and the Order, if issued, BIS will not initiate any further administrative

proceeding against Integra in connection with any violation of the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

5. 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.

6. 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.

7. 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.

8. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, available to the public.

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9. Each signatory affirms that he/she has authority to enter into this Agreement and to bind his/her respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND  
SECURITY  
U.S. DEPARTMENT OF COMMERCE

JOHN  
SONDERMAN

Digitally signed by JOHN  
SONDERMAN  
Date: 2024.12.16 07:14:31  
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John Sonderman  
Director of Export Enforcement

Date: 12-16-2024

INTEGRA TECHNOLOGIES, INC.

*Thomas M Kole*

Thomas M. Kole  
Vice President, Integra Technologies, Inc.

Date: 12-13-2024

Reviewed and approved by:

*Peter Lichtenbaum*

Peter Lichtenbaum  
Eric Sandberg-Zakian  
Covington & Burling LLP

Counsel for Integra Technologies, Inc.

Date: 12/13/2024



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Bureau of Industry and Security**  
**Office of Export Enforcement**  
1401 Constitution Avenue, Suite 4508  
Washington, DC 20230

## PROPOSED CHARGING LETTER

Integra Technologies, Inc.  
321 Coral Circle  
El Segundo, CA 90245

Dear Integra Technologies, Inc.,

The Bureau of Industry and Security, U.S. Department of Commerce (BIS) has reason to believe that Integra Technologies, Inc. (“Integra”) has committed 94 violations of the Export Administration Regulations (the “EAR” or “Regulations”).<sup>1</sup> Specifically, BIS alleges the following violations:

### **Charges 1-94      15 CFR. § 764.2(a) – Engaging in Prohibited Conduct**

On 94 occasions between on or about February 27, 2023 and on or about October 27, 2023, Integra engaged in conduct prohibited by the Regulations when it sold and exported items subject to the EAR and designated EAR99 with Harmonized Tariff Schedule-6 (HTS) code 854129, including transistors and related products valued at approximately \$6,679,009, via two third-party distributors to eight different Russian end users—all without the requisite license or authorization from BIS. Pursuant to Section 746.5<sup>2</sup> of the Regulations, a BIS export license was required before the items could be exported to Russia.

By engaging in the above-described conduct, Integra committed 94 violations of Section 764.2(a) of the Regulations, by engaging in any transaction or taking any other action prohibited by or contrary to, or refraining from engaging in any transaction or taking any other action required by ECRA,<sup>3</sup> the EAR, or any order, license or authorization issued thereunder.

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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 (2024). The charged violations occurred in 2023. The Regulations governing the violations at issue are found in the 2023 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2023)). The 2024 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> While the applicable license requirement at the time of the violations was found in Section 746.5, the same requirement has since been moved to Section 746.8(a)(5), pursuant to a June 2024 amendment to the EAR. 89 Fed. Reg. 51644 (June 18, 2024).

<sup>3</sup> On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA,” 50 U.S.C. §§ 4801-4852).



## **Background Of Violations**

As background<sup>4</sup> of the violations identified above and at times material to this charging letter:

### **The Russia Sanctions Regime and HTS Code Restrictions**

1. The U.S. Department of Commerce, through BIS, responded to the Russian Federation's ("Russia's") further invasion of Ukraine on February 24, 2022 by implementing a sweeping series of export controls intended to cut off Russia's access to vital technological inputs, atrophy key sectors of its industrial base, and undercut Russia's strategic ambitions to exert influence on the world stage.
2. As part of those controls, effective March 3, 2022, BIS imposed expansive controls targeting Russian industry by adding a new paragraph (a)(1)(ii) to section 746.5 of the EAR, which imposed an additional license requirement for exports, reexports, and transfers (in-country) to or within Russia of any items subject to the EAR if identified under certain Schedule B or HTS codes.<sup>5</sup> The March 2022 rule also added supplement no. 4 to part 746—HTS Codes and Schedule B Numbers that Require a License for Export, Reexport, and Transfer (in-country) to or within Russia pursuant to § 746.5(a)(1)(ii)—which identified HTS codes and Schedule B numbers that are subject to the license requirement set forth in paragraph (a)(1)(ii). HTS codes take their first six digits from the corresponding Harmonized System ("HS") code, a standardized numerical method of classifying products.
3. In subsequent rules, BIS has continued to expand the scope of HTS codes subject to this license requirement—to further limit access to items that enable Russia's military capabilities and sources of revenue that could support those capabilities, and to align U.S. sanctions with those imposed by U.S. partners and allies.<sup>6</sup>
4. Effective February 24, 2023, BIS added 322 additional HTS codes, requiring a license for export or reexport to or transfer within Russia or Belarus of such items under § 746.5(a)(1)(ii).<sup>7</sup> The final rule including these changes stated that the restrictions "on these additional industrial items [were] intended to further undermine the Russian and Belarusian industrial bases and their ability to continue to support the Russian invasion of and subsequent military aggression in Ukraine." Among the new HTS codes included was HTS code 854129, at issue here, which corresponds to certain types of

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<sup>4</sup> This background section does not set forth every fact known or resulting from the investigation; rather, it provides certain additional information to further describe the nature of the above-listed violations.

<sup>5</sup> 87 Fed. Reg. 12856 (Mar. 8, 2022).

<sup>6</sup> *See, e.g.*, 87 Fed. Reg. 28758 (May 11, 2022).

<sup>7</sup> 88 Fed. Reg. 12175 (Feb. 27, 2023); *see also* BIS Press Release, "Commerce Imposes Additional Export Restrictions in Response to Russia's Brutal War on Ukraine" (Feb. 24, 2023).

transistors and related products. BIS has continued to add additional HTS codes over time.<sup>8</sup>

5. In July 2023, BIS also announced a list of “common high-priority items” that “pose a heightened risk of being diverted illegally to Russia because of their importance to Russia’s war efforts.”<sup>9</sup> BIS listed these high-priority items by HTS code, and included HTS code 854129 on the list.
6. In sum, BIS has taken numerous regulatory actions, in coordination with its international allies and partners, to degrade Russia’s defense industrial base and ability to sustain its war machine, as well as to facilitate additional support for Ukraine’s resistance. Restrictions on exports corresponding to certain HTS codes are a critical part of that effort.

### **Integra’s Unauthorized Exports to Russian End Users**

7. At all relevant times, Integra was headquartered in El Segundo, California, and engineered and manufactured advanced RF and Microwave power designs for high performance systems. As part of its business, Integra supplied and continues to supply products for both military and civil radar systems, as well as industrial applications, including commercial avionics.
8. Among other products, Integra produces L and S band Radio Frequency transistors and related products designated as EAR99, including transistors with HTS code 854129. Such products can be used in radar systems to detect and track the position, speed, and direction of aircraft. Such products can also be used in aircraft transponders to enable the transmission of radio signals between aircraft and ground stations, or to amplify transmission signals.
9. Integra typically sells its products to end users through authorized distributors; Integra did not sell or ship the relevant items directly to entities in Russia. All sales to Russian end users during the relevant time period were made through two third-party distributors, and shipped via foreign-based freight forwarders. Despite these intermediaries, Integra had knowledge of the ultimate Russian end users, because Integra required its distributors to provide the name and country of the end user and the end use for each transaction when placing orders.
10. As stated above, effective February 24, 2023, as part of a larger rule, BIS imposed a license requirement on products with HTS code 854129, which includes Integra’s Radio Frequency transistors and related products.

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<sup>8</sup> 89 Fed. Reg. 51644 (June 18, 2024).

<sup>9</sup> See BIS Common High Priority List, <https://www.bis.doc.gov/index.php/all-articles/13-policy-guidance/country-guidance/2172-russia-export-controls-list-of-common-high-priority-items> (last updated Feb. 23, 2024).

11. Integra failed to recognize the change in controlled items created by this rule because Integra's export compliance program lacked procedures requiring regular review and analysis of revisions to Part 746 of the EAR and other relevant regulations to ensure ongoing compliance with export control requirements. Integra did not realize its error until October 2023, after which Integra promptly stopped all shipments intended for Russian end users, and filed a voluntary self-disclosure with BIS. Integra also reported that at the time of the relevant shipments, Integra believed that, due to the technical specifications of its products, the specific EAR99 products it sent to Russian end users were suitable only for civil end use, rather than military end use.
12. In the interim, between on or about February 27, 2023 and on or about October 27, 2023, Integra continued to sell and export transistors and related products to Russia, without seeking or obtaining any license from BIS. Specifically, via its third-party distributors and freight forwarders, Integra sent 94 shipments of Radio Frequency power transistors, dies, and related packaging to eight different Russian end users. The exported items were all designated EAR99, with HTS code 854129, and valued at approximately \$6,679,009.
13. As set forth above, therefore, from on or about February 27, 2023 to on or about October 27, 2023, Integra engaged in conduct prohibited by and contrary to the Regulations, by exporting EAR99 transistors, with HTS code 854129, to Russian end users without the required BIS license.

\* \* \* \* \*

Accordingly, Integra is hereby notified that an administrative proceeding is instituted against it pursuant to Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including, but not limited to, any or all of the following:

- The maximum civil penalty of an amount not to exceed the greater of \$364,992 per violation or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed;<sup>10</sup>
- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

If Integra 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 Integra defaults, the Administrative Law Judge may find the charges alleged in this

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<sup>10</sup> *See* 50 U.S.C. § 4819 (prescribing civil monetary penalty amount for ECRA violation); 15 C.F.R. §§ 6.3(c)(4), 6.4 (adjusting civil monetary penalty amount for inflation).

letter are true without a hearing or further notice to Integra. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

Integra is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with any answer. *See* 15 C.F.R. § 766.6. Integra 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 Integra have a proposal to settle this case, it should transmit it to the attorneys 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, Integra'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 Integra's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Matt Rosenbaum and B. Kathryn Debrason  
Room H-3839  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Matt Rosenbaum and B. Kathryn Debrason are the attorneys representing BIS in this case; any communications that Integra may wish to have concerning this matter should occur through them. Mr. Rosenbaum and Ms. Debrason may be contacted at 202-482-5301.

Sincerely,

John Sonderman  
Director  
Office of Export Enforcement