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BUREAU OF INDUSTRY AND SECURITY

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OCPA@bis.doc.gov

BIS Imposes \$180,000 Mitigated Penalty Against Indium Corporation for 11 Exports of Electronics Manufacturing Components to Russia

WASHINGTON, D.C. — The Department of Commerce’s Bureau of Industry and Security (BIS) imposed, as part of a settlement agreement, a civil penalty of \$180,000 against The Indium Corporation of America (Indium), a materials refiner, smelter, manufacturer, and supplier to the global electronics, semiconductor, thin-film, and thermal management markets. Indium is headquartered in Clinton, NY.

The penalty relates to Indium’s shipments to Russia of solder materials used in electronics manufacturing valued at approximately \$96,506. Indium cooperated with the investigation conducted by BIS’s Office of Export Enforcement (OEE) and took remedial measures after discovering the conduct at issue, which resulted in a significant reduction in the penalty.

“Companies that continue to export items to Russia must ensure those items do not fall under a prohibited Harmonized Tariff Schedule code,” said **Assistant Secretary for Export Enforcement Matthew S. Axelrod**. “Indium failed to do so, and this is the result.”

As alleged in the Proposed Charging Letter (PCL), between April 2022 and March 2023, Indium engaged in conduct prohibited by the Export Administration Regulations (EAR) on 11 occasions when it exported solder preforms, solder wires, and solder ribbon, valued at \$96,505.89, to Russia without the requisite license or other authorization from BIS. The items exported by Indium are classified EAR99. However, because these items were classified by Harmonized Tariff Schedule (HTS) codes that appeared on Supplement no. 5 to Part 746 of the EAR at the time of export, these items required a license for export to Russia pursuant to § 746.10(a)(1) of the EAR. As detailed further in the PCL, Indium encountered, but failed to appropriately address, red flags throughout these transactions.

On May 19, 2023, after these violations occurred, the parties to Indium’s transactions—Inter-Trans Sp z.o.o., BMA Spedition GmbH, and Ostec Integra Ltd.—were added to the Specially Designated Nationals List by the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC). These parties have facilitated hundreds of shipments of western electronics components to Russia since the beginning of Russia’s full-scale invasion of Ukraine. In particular, Ostec Integra Ltd. is one of 12 companies of the Ostec Group, which imports and distributes quantum and semiconductor technologies and supports Russian producers of various missile systems and aerial bombs.

The full order, settlement agreement, and PCL are available online [here](#). This case was investigated by OEE's New York Field Office. OFAC assisted OEE in its investigation.

Additional Information:

BIS actions are taken under the authority of the Export Control Reform Act of 2018 (50 U.S.C. §§ 4801-4852) and its implementing regulations, the EAR. BIS controls exports of dual-use commodities, technology, and software for reasons of national security, missile technology, nuclear non-proliferation, chemical and biological non-proliferation, crime control, and regional stability. Criminal and administrative sanctions can be imposed for violations of the EAR. Under the Export Control Reform Act of 2018, among possible administrative sanctions, administrative monetary penalties can reach up to \$364,992 per violation or twice the value of the transaction, whichever is greater. For more information, please visit <https://www.bis.gov/enforcement>.

Report suspected export control violations through the BIS online [tip portal](#). You can also call the Enforcement Hotline at 1-800-424-2980 or email EELead@bis.doc.gov.