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## **FLIR SYSTEMS RESOLVES ALLEGATIONS OF MISREPRESENTATIONS MADE TO BIS AND OTHER GOVERNMENT AGENCIES**

WASHINGTON – Today, Kevin J. Kurland, Acting Assistant Secretary of Commerce for Export Enforcement, Bureau of Industry & Security (BIS), announced an administrative settlement of \$307,922 with FLIR Systems, Inc., located in Wilsonville, OR. The settlement follows an investigation by the Portland Resident Office, San Jose Field Office of BIS’s Office of Export Enforcement (OEE), after a voluntary self-disclosure by FLIR involving an egregious violation of the Export Administration Regulations (“EAR”).

“In order to prevent violations of the EAR, BIS strongly encourages organizations to maintain robust export compliance programs, and to ensure accurate representation of all compliance information to the United States Government,” said Mr. Kurland. “BIS will not tolerate exporters that provide inaccurate or incomplete representations related to export regulations and laws. This enforcement action demonstrates the serious nature and consequences of such behavior and BIS’s continued commitment to safeguarding U.S. national security, foreign policy, and economic interests on behalf of the public we serve.”

This settlement resolves BIS’s allegations that, between November of 2012 and December of 2013, FLIR made inaccurate or incomplete representations, statements, or certifications in violation of the EAR while seeking a determination that a newly developed Uncooled Focal Plane Array (UFPA) was subject to the EAR rather than the International Traffic in Arms Regulations. In advance of the determination, as the U.S. Government expressed concerns over the possible diversion of the UFPA to end-uses of concern, FLIR represented that the UFPA was designed specifically for insertion into commercial smartphones and recognized the need to prevent its diversion to uses other than insertion into smartphones. However, FLIR internally contemplated other markets for its product, developed plans for military applications involving nano reconnaissance drones, and later sold cameras incorporating the UFPA to a Norwegian customer in the defense industry for such drones. FLIR also represented to U.S. Government officials that the UFPAs incorporated a novel type of anti-tamper encryption protection to protect against diversion to end-uses of concern, but never actually successfully developed nor added such anti-tamper protections as a feature of the UFPA.

“BIS is the principle agency involved in the development, implementation, and enforcement of export controls for commercial technologies and many military technologies. As such, BIS has a compelling interest in ensuring that parties submit complete and accurate information to the

U.S. Government in connection with their exports. We perform our mission through preventative enforcement and the pursuit of appropriate criminal and administrative sanctions, as is illustrated in this enforcement action,” said Special Agent in Charge John D. Masters of BIS’s San Jose, CA Field Office.

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).

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