

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

The Sentry Company  
62 Main Street  
Foxboro, MA 02035-1847

Attention: Mr. Bristol B. Crocker  
Chief Executive Officer

Dear Mr. Crocker:

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) has reason to believe that The Sentry Company (“Sentry”) of Foxboro Massachusetts has committed four violations of the Export Administration Regulations (the “Regulations”),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979 (the “Act”)<sup>2</sup>. Specifically, BIS charges that Sentry committed the following violations:

**Charges 1-4            15 C.F.R. § 764.2(a) - Unlicensed exports to Entity List organizations**

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on four occasions between on or about May 9, 1999, and on or about June 24, 2002, Sentry exported heat treating containers, items subject to the Regulations, to Bharat Dynamics Ltd., Hyderabad, India without the licenses required by Part 744 of the Regulations.<sup>3</sup>

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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 (2003). The violations charged occurred from 1999 to 2002. The Regulations governing the violations at issue are found in the 1999 through 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2002)). The Regulations define the violations that BIS alleges occurred and establish the procedures that apply to this matter.

<sup>2</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1707 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508, and it remained in effect through August 20, 2001. The Act expired on August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp., p. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 7, 2003 (68 Fed. Reg. 47833, August 11, 2003), continues the Regulations in effect under IEEPA.

<sup>3</sup> For the exports in 1999 and 2000, the license requirement was contained in then section 744.11 of the Regulations. For the exports in 2002, the license requirement was contained in

At all times relevant hereto, Bharat Dynamics Ltd. was an organization listed on the Entity List set forth at Supplement No. 4 to Part 744 of the Regulations. In doing so, Sentry committed four violations of Section 764.2(a) of the Regulations.

Accordingly, Sentry 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;<sup>4</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Sentry 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. (Regulations, Sections 766.6 and 766.7). If Sentry defaults, the Administrative Law Judge may find the charges alleged in this letter are true without hearing or further notice to Sentry. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each charge in this letter.

Sentry is further notified that it is entitled to an agency hearing on the record if Sentry files a written demand for one with its answer. (Regulations, Section 766.6). Sentry is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should Sentry have a proposal to settle this case, Sentry or its representative should transmit the offer to me through 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, Sentry'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

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section 744.1 of the Regulations.

<sup>4</sup> See 15 C.F.R. § 6.4(a)(2).

The Sentry Company  
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40 S. Gay Street  
Baltimore, Maryland 21202-4022

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

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

Philip Ankel is the attorney representing BIS in this case. Any communications that you may wish to have concerning this matter should occur through him. He may be contacted by telephone at (202) 482-5301.

Sincerely,

Mark D. Menefee  
Director  
Office of Export Enforcement

**SCHEDULE A**  
**THE SENTRY COMPANY**

Charges	Date of Export (on or about)	Item	ECCN	Value (U.S. dollars)	Destination	Waybill No.
1	May 9, 1999	heat treating containers	EAR99	\$882	Bharat Dynamics Ltd.	004794
2	April 5, 2000	heat treating containers	EAR99	\$371	Bharat Dynamics Ltd.	005298
3	February 5, 2002	heat treating containers	EAR99	\$371	Bharat Dynamics Ltd.	006315
4	June 24, 2002	heat treating containers	EAR99	\$919	Bharat Dynamics Ltd.	006505

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

In the Matter of: )  
)  
The Sentry Company )  
62 Main Street )  
Foxboro, MA 02035-1847 )  
)  
Respondent. )  
)

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Respondent, The Sentry Company ("Sentry"), and the Bureau of Industry and Security, United States Department of Commerce ("BIS") (collectively referred to as "Parties"), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2004)) ("Regulations"),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act"),<sup>2</sup>

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<sup>1</sup> The violations charged occurred from 1999 to 2002. The Regulations governing the violations at issue are found in the 1999 through 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2002)). The 2004 Regulations establish the procedures that apply to this matter.

<sup>2</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. 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)), as extended by the Notice of August 7, 2003 (3 C.F.R., 2003 Comp. 328 (2004)), has continued the Regulations in effect under the IEEPA.

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

WHEREAS, BIS has issued a proposed charging letter to Sentry that alleged that Sentry committed four violations of the Regulations, specifically:

1. *Four Violations of 15 C.F.R. § 764.2(a) - Unlicensed exports to Entity List organizations:* On four occasions between on or about May 9, 1999, and on or about June 24, 2002, Sentry exported heat treating containers, items subject to the Regulations, to Bharat Dynamics Ltd., Hyderabad, India without the licenses required by Part 744 of the Regulations.<sup>3</sup> At all times relevant hereto, Bharat Dynamics Ltd., was an organization listed on the BIS Entity List.

WHEREAS, Sentry 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, Sentry fully understands the terms of this Agreement and the Order ("Order") that the Assistant Secretary of Commerce for Export Enforcement will issue if she approves this Agreement as the final resolution of this matter;

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

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<sup>3</sup> For the exports in 1999 and 2000, the license requirement was contained in then section 744.11 of the Regulations. For the exports in 2002, the license requirement was contained in section 744.1 of the Regulations.

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

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

2. The following sanction shall be imposed against Sentry in complete settlement of the violations of the Regulations set forth in the proposed charging letter:

- a. Sentry shall be assessed a civil penalty in the amount of \$25,000 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, License Exception, permission, or privilege granted, or to be granted, to Sentry. Failure to make timely payment of the civil penalty set forth above shall

result in the denial of all of Sentry's export privileges for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Sentry 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 the proposed charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; (c) request any relief from the Order, if entered, including without limitation relief from the terms of a denial order under 15 C.F.R. § 764.3(a)(2); and (d) 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 \$25,000 civil penalty, BIS will not initiate any further administrative proceeding against Sentry 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.

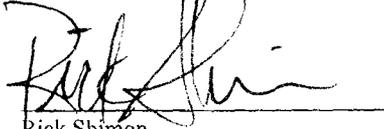
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial 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 United States Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on BIS 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



Rick Shimon  
Acting Director  
Office of Export Enforcement

**MAY 26 2004**

Date: \_\_\_\_\_

THE SENTRY COMPANY



Bristol B. Crocker  
Chief Executive Officer

Date: May 17, 2004

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

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In the Matter of: )  
 )  
The Sentry Company )  
62 Main Street )  
Foxboro, MA 02035-1847 )  
 )  
Respondent. )  

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ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) having notified The Sentry Company (“Sentry”) of its intention to initiate an administrative proceeding against Sentry pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2004)) (“Regulations”),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),<sup>2</sup> based on the proposed charging letter issued to Sentry that alleged that Sentry committed four violations of the Regulations. Specifically, the charges are:

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<sup>1</sup> The violations charged occurred from 1999 to 2002. The Regulations governing the violations at issue are found in the 1999 through 2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2002)). The 2004 Regulations establish the procedures that apply to this matter.

<sup>2</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was issued on August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. 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)), as extended by the Notice of August 7, 2003 (3 C.F.R., 2003 Comp. 328 (2004)), has continued the Regulations in effect under the IEEPA.

1. *Four Violations of 15 C.F.R. § 764.2(a) - Unlicensed exports to Entity List organizations:* On four occasions between on or about May 9, 1999, and on or about June 24, 2002, Sentry exported heat treating containers, items subject to the Regulations, to Bharat Dynamics Ltd., Hyderabad, India without the licenses required by Part 744 of the Regulations.<sup>3</sup> At all times relevant hereto, Bharat Dynamics Ltd., was an organization listed on the BIS Entity List.

BIS and Sentry having 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 the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$25,000 is assessed against Sentry, 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, Sentry 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.

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<sup>3</sup> For the exports in 1999 and 2000, the license requirement was contained in then section 744.11 of the Regulations. For the exports in 2002, the license requirement was contained in section 744.1 of the Regulations.

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 Sentry. Accordingly, if Sentry should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Sentry's export privileges for a period of one year from the date of entry of this Order.

FOURTH, 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.



Julie L. Myers  
Assistant Secretary of Commerce  
for Export Enforcement

Entered this 24<sup>th</sup> day of June 2004.