

DEPARTMENT OF STATE**[Public Notice 11119]****Bureau of Political-Military Affairs;
Rescission of Policy of Denial
Concerning BAE Systems Saudi
Arabia Limited (BAES SAL) a
Subsidiary of BAE Systems plc Under
the International Traffic in Arms
Regulations****ACTION:** Notice.

SUMMARY: Notice is hereby given that the Department of State has rescinded the policy of denial concerning BAES SAL, a subsidiary of BAE Systems plc, included in **Federal Register** notice of May 23, 2011 (76 FR 29814).

DATES: This notice is effective on May 20, 2020.

FOR FURTHER INFORMATION CONTACT: Jae Shin, Director, Office of Defense Trade Controls Compliance, Bureau of Political-Military Affairs, Department of State (202) 632-2107.

SUPPLEMENTARY INFORMATION: On March 2, 2010, a judgment was filed against BAE Systems plc (BAES) for conspiring to commit offenses against the United States in violation of 18 U.S.C. 371, including conspiring to violate the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR). Subsequent to this conviction, the Department and BAES agreed to enter into a Consent Agreement in order to settle and dispose of all potential civil charges and penalties.

Upon signature of the agreement in 2011, BAES was statutorily debarred, and a rescission of debarment was concurrently issued. However, the Department chose to impose a policy of denial on the business units responsible for the majority of the violations: BAE Systems CS&S International, Red Diamond Trading Ltd., and Poseidon Trading Investments Ltd., including their divisions and business units, and successor entities. The Department announced the policy of denial by **Federal Register** notice in May 2011 (76 FR 29814, May 23, 2011).

According to BAES, sometime after the announcement of the policy of denial, BAE Systems CS&S International, Red Diamond Trading Ltd., and Poseidon Trading Investments Ltd. have ceased to exist. However, BAE SAL is a successor entity to BAE Systems CS&S International and remains subject to the policy of denial.

In response to a request from BAES for rescission of this policy of denial, the Department has conducted a thorough review of the circumstances

surrounding the conviction and the imposition of the policy of denial. The Department has determined that it is in the national security and foreign policy interests of the United States to rescind the policy of denial concerning BAE SAL, including its divisions and business units, and successor entities.

R. Clarke Cooper,*Assistant Secretary, Bureau of Political-Military Affairs, Department of State.*

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BILLING CODE 4710-25-P**DEPARTMENT OF STATE****[Public Notice 11118]****Statutory Debarment Under the Arms
Export Control Act and the
International Traffic in Arms
Regulations****ACTION:** Notice.

SUMMARY: Notice is hereby given that the Department of State has imposed statutory debarment under the International Traffic in Arms Regulations (“ITAR”) on persons convicted of violating, or conspiracy to violate, Section 38 of the Arms Export Control Act (AECA).

DATES: Debarment imposed as of May 20, 2020.

FOR FURTHER INFORMATION CONTACT: Jae Shin, Director, Office of Defense Trade Controls Compliance, Bureau of Political-Military Affairs, Department of State (202) 632-2107.

SUPPLEMENTARY INFORMATION: Section 38(g)(4) of the AECA, 22 U.S.C. 2778(g)(4), restricts the Department of State from issuing licenses for the export of defense articles or defense services where the applicant, or any party to the export, has been convicted of violating certain statutes, including section 38 of the AECA. The statute permits the President to make certain exceptions on a case-by-case basis. Section 127.7(b) of the ITAR also provides for “statutory debarment” of any person who has been convicted of violating or conspiring to violate the AECA. Under this policy, persons subject to statutory debarment are prohibited from participating directly or indirectly in any activities that are regulated by the ITAR.

Statutory debarment is based solely upon conviction in a criminal proceeding, conducted by a United States court, and as such the administrative debarment procedures outlined in Part 128 of the ITAR are not applicable.

It is the policy of the Department of State that statutory debarment lasts for a three year period following conviction. Unless export privileges are reinstated, however, the person remains debarred. Reinstatement is not automatic, and in all cases the debarred person must submit a request for reinstatement to the Department of State and be approved for reinstatement before engaging in any activities subject to this subchapter.

Department of State policy permits debarred persons to apply to the Director, Office of Defense Trade Controls Compliance, for reinstatement beginning one year after the date of the debarment. Any decision to grant reinstatement can be made only after the statutory requirements of Section 38(g)(4) of the AECA have been satisfied. Certain exceptions, known as transaction exceptions, may be made to this debarment determination on a case-by-case basis. However, such an exception would be granted only after a full review of all circumstances, paying particular attention to the following factors: Whether an exception is warranted by overriding U.S. foreign policy or national security interests; whether an exception would further law enforcement concerns that are consistent with the foreign policy or national security interests of the United States; or whether other compelling circumstances exist that are consistent with the foreign policy or national security interests of the United States, and that do not conflict with law enforcement concerns. Even if exceptions are granted, the debarment continues until subsequent reinstatement.

Pursuant to Section 38(g)(4) of the AECA and Section 127.7(c) of the ITAR, the following persons, having been convicted in a U.S. District Court, are statutorily debarred as of the date of this notice (Name; Date of Judgment; Judicial District; Case No.; Month/Year of Birth):

(1) Asad-Ghanem, Rami Najm (aka Ghanem, Rami Najm); August 19, 2019; Central District of California; 2:15-cr-00704; June 1966.

(2) Boyko, Gennadiy; December 7, 2018; Northern District of Georgia; 1:16-cr-00338; February 1970.

(3) Browning, Scott Douglas; August 9, 2019; Eastern District of North Carolina; 5:18-cr-00036; April 1977.

(4) Brunt, Paul Stuart; March 1, 2019; Western District of Washington; 2:18-cr-00025; February 1966.

(5) Chehade, Walid; May 8, 2019; Western District of Michigan; 1:17-cr-00263; July 1981.

(6) Dequarto, Dominick; December 5, 2018; Middle District of Florida; 8:18-cr-00320; December 1965.