ORDER

WHEREAS, the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, United States Department of State ("Department"), has notified Hank L. Lavery III and Security Assistance International, Inc. ("Respondent") of its intention to initiate an administrative proceeding against it pursuant to Section 38 of the Arms Export Control Act (the "Act") (22 U.S.C. 2778) and its implementing regulations, the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130) (the "Regulations");

WHEREAS, the draft charges are based on allegations that the Respondent violated Section 38 of the Act and Section 127 of the Regulations
as set forth in a Draft Charging Letter, attached hereto and incorporated by reference herein, in connection with the unauthorized export of a defense article;

WHEREAS, pursuant to Section 128.11 of the Regulations, the Department and the Respondent have entered into a consent Agreement (attached hereto and incorporated by reference herein) pursuant to Section 128.11 of the Regulations whereby the Department and the Respondent have agreed to settle this matter in accordance with the terms and conditions set forth therein;

IT IS THEREFORE ORDERED:

FIRST, that the Respondent shall be assessed a civil penalty of $75,000 (seventy-five thousand dollars) in part settlement of the civil violations as set forth in the Department's Draft Charging Letter. This civil penalty shall be suspended on the condition that Mr. Lavery faithfully adheres to the terms and conditions of the Agreement.

The Department Recognizes that the Respondent agrees that the effect of any statutory limitations to the collection of the civil penalty imposed by the Consent Agreement and this Order shall be tolled until all terms of the Consent Agreement are satisfied and, where appropriate, the last payment is made.

SECOND, the Respondent shall be administratively debarred and shall be prohibited from participating directly or indirectly in the export of defense articles, including technical data, or in furnishing of defense services for which a license or other approval is required. Reinstatement of Respondents export privileges shall be accomplished in accordance with the Act and the Regulations.

THIRD, that the draft Charging Letter, the Consent Agreement and this Order shall be made available to the public.
This Order becomes effective on the day it is signed.

Dr. John Hillen  
Assistant Secretary for  
Political-Military Affairs  
Department of State

Entered this ___ day of December 2006