

UNITED STATES DEPARTMENT OF STATE
BUREAU OF POLITICAL-MILITARY AFFAIRS
WASHINGTON, DC 20520

In the Matter of:)

BAE Systems, Inc.)

Respondent)
_____)

ORDER

WHEREAS, the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, United States Department of State (Department), has notified BAE Systems, Inc., including its operating divisions, subsidiaries, and business units (collectively, Respondent), of its intention to initiate an administrative proceeding against it pursuant to § 38(e) of the Arms Export Control Act (AECA), 22 U.S.C. § 2778(e), and its implementing regulations, the International Traffic in Arms Regulations (ITAR), 22 CFR parts 120-130.

WHEREAS, the proposed charges allege that Respondent violated § 38 of the AECA and part 127 of the ITAR, as set forth in the Proposed Charging Letter, attached hereto and incorporated by reference herein, in connection with the unauthorized export of defense articles, including technical data.

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

IT IS THEREFOR ORDERED:

FIRST, that Respondent shall pay in fines and in remedial compliance measures a civil penalty of thirty-six million dollars (\$36,000,000), as stipulated below, in complete settlement of the civil violations arising from facts Respondent disclosed to the Department in its disclosures assigned the DTCC Case Numbers identified in paragraph 26 of the Consent Agreement and, also, summarized in the Department's Proposed Charging Letter.

SECOND, six million dollars (\$6,000,000) of this civil penalty is to be paid to the Department within ten (10) days of signing of the Order; six million dollars (\$6,000,000) is to be paid within one (1) year from the date of the Order; six million dollars (\$6,000,000) is to be paid within two (2) years from the date of the Order.

THIRD, eighteen million dollars (\$18,000,000) of this civil penalty will be suspended as set forth in paragraph 18(b) of the Consent Agreement on the condition that Respondent applies this amount to Consent Agreement-authorized remedial compliance costs, in all instances determined as set forth in paragraph 18(c) of the Consent Agreement.

FOURTH, that any failure by Respondent to apply suspended penalty funds appropriately for remedial compliance measures or provide satisfactory accounting may result (in accordance with paragraph 18 of the Consent Agreement) in Respondent being required to pay immediately to the Department the entire amount specified, less credit for amounts the Department deems to have been properly applied and accounted for as expenditures in compliance with the Consent Agreement.

FIFTH, the Department recognizes that Respondent agrees to waive its rights to raise the defense of statute of limitations with regard to the collection of the civil penalty imposed by the Consent Agreement and this Order, and that the statute of limitations shall be tolled until all terms of the Consent Agreement are satisfied.

SIXTH, that Respondent, and its assignees and successors, and in the event of reorganization all affected entities or units, shall comply with the compliance measures and its obligations under the provisions of the Consent Agreement and shall do so within the deadlines established therein.

SEVENTH, that the Proposed 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.



Stanley L. Brown
Senior Bureau Official

Entered this 4 day of August 2026