

# GROWERTALKS

## GT in Brief

10/28/2016

### PanAmerican Seed Fined for Selling to Iran

*Chris Beytes*

PanAmerican Seed has been fined \$4.3 million by the U.S. Treasury Department for "... indirectly exporting seeds, primarily of flowers, to two Iranian distributors on 48 occasions ..." collectively referred to as the "alleged violations."

According to Todd Billings, Ball Horticultural Company CFO (Pan-American Seed is a division of Ball Horticultural Company), PanAmerican flower seed did make it into Iran between May 2009 and March 2012, and at the time of those shipments, there were U.S. Government sanctions against Iran that prohibited the sale of most goods and services into Iran.

PanAmerican didn't sell directly to Iran, however—it sold to two distributors working outside of Iran. They were the ones who ultimately sold much of that seed into Iran. Still, PanAm took the hit for it. Todd said it was about \$770,000 worth of seed over that three-year period, mostly cut flowers and ornamental grasses.

"At the time of these shipments, our compliance and monitoring controls were weak," Todd admitted. "Since that time, we've substantially improved our compliance programs to prevent this sort of thing from happening again."

So why the seven-figure fine and why does the Treasury Department document make it sound as though PanAm was smuggling State secrets in every seed packet?

"We believe that the settlement was extreme," he answered. "However, the alternative was to litigate with the U.S. Government, which could take months if not years. What we did was wrong and we are going to put the matter behind us and move forward." **GT**