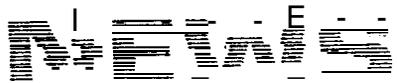


UNITED STATES DEPARTMENT OF
COMMERCE



WASHINGTON, D.C. 20230

DALE
BUREAU OF
EXPORT
ADMINISTRATION

For Immediate Release
April 8, 1999
www.bxa.doc.gov

Contact: Eugene Cottilli
Susan Hofer
202/482-2721

Texas Company Settles Antiboycott Charges

WASHINGTON -- The Commerce Department's Assistant Secretary for Export Enforcement F. Amanda DeBusk announced today that Hanson Aggregates West, Inc. agreed to settle charges that the company, formerly known as Gifford-Hill & Company, committed two violations of the antiboycott provisions of the Export Administration Regulations. Hanson Aggregates West, Inc., a concrete pipe manufacturing company located in Dallas, Texas, agreed to pay a \$3,000 civil penalty.

The Office of Antiboycott Compliance alleged that the company, in one transaction in 1996 involving a shipment to Kuwait, furnished information regarding its business relationships with or in Israel by certifying that the goods shipped were not of Israeli origin, did not contain any Israeli materials and were not being shipped from Israel. The company also failed to report to the Bureau its receipt of the request for the information it allegedly furnished.

Hanson Aggregates West, Inc. voluntarily disclosed the alleged violations to the Department. While neither admitting nor denying the allegations, the company agreed to pay the civil penalty.

The antiboycott provisions prohibit U. S. companies and individuals from complying with certain aspects of unsanctioned foreign boycotts against any country friendly to the United States that is not, itself, the object of any U. S. boycott. Boycott requests are also required to be reported to the Department. Through its Office of Antiboycott Compliance, the Commerce Department investigates alleged violations, provides support in administrative or criminal litigation of cases, and prepares cases for settlement.

and incorporated herein by this reference;

The Department and Hanson having entered into a Settlement Agreement, incorporated herein by this reference, whereby the parties have agreed to settle this matter; and

I, the Assistant Secretary for Export Enforcement, having approved the terms of the Settlement Agreement:

IT IS THEREFORE ORDERED THAT,

FIRST, a civil penalty in the amount of \$3,000 is assessed against Hanson.

SECOND, Hanson shall pay to the Department the sum of \$3,000, within thirty (30) days of service upon it of this Order, as specified in the attached instructions.

THIRD, pursuant to the Debt Collection Act of 1982, as amended (**U.S.C.A §§ 3701-37203 (1983 and Supp. 1998)**), 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, Hanson will be assessed, in addition to interest, a penalty charge and an administrative

charge, as more fully described in the attached Notice.

FOURTH, as authorized by Section **11(d)** of the Act, the timely payment of the sum of \$3,000 is hereby made a condition to the granting, restoration or continuing validity of any export license, permission, or privilege granted, or to be granted, to Hanson. Accordingly, if Hanson should fail to pay the sum of \$3,000 in a timely manner, I will enter an Order under the authority of Section **11(d)** of the Act denying all of Hanson's export privileges for a period of one year from the date of the entry of this Order; and

FIFTH, the Proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public, and a copy of this Order shall be served upon Hanson.

This Order is effective immediately.



F. Amanda DeBusk
Assistant Secretary for Export Enforcement
Bureau of Export Administration

Entered this 8th day of April, 1999

INSTRUCTIONS FOR PAYMENT OF SETTLEMENT AMOUNT

1. The check should be made payable to:

U.S. DEPARTMENT OF COMMERCE

- 2 The check should be mailed to:

U.S.. Department of Commerce
Bureau of Export Administration
Room 6881
14th & Constitution Avenue, N.W.
Washington, D.C. 20230

Attention: Miriam Cohen

NOTICE

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty and the rights, if any, that Hanson Aggregates West, Inc.(Hanson) may have to seek review, both within the U.S. Department of Commerce and the courts. It also specifies the amount owed and the date by which payment of the civil penalty is due and payable.

Under the Debt Collection Act of 1982, as amended (**31 U.S.C.A. §§ 3701-37203** (1983 and Supp. 1998)) and the Federal **Claims** Collection Standards (**4 C.F.R. Parts 101-105 (1998)**), interest accrues on any and all civil monetary penalties owed and unpaid under the Order, from the date of the Order until paid in full. The rate of interest assessed Hanson is the rate of the current value of funds to the U.S. Treasury on the date that the Order was entered. However, interest is waived on any portion paid within 30 days of the date of the Order. See 31 U.S.C.A. § 3717 and 4 C.F.R. § 102.13.

The civil monetary penalty will be delinquent if not paid by the due date specified in the Order. If the penalty becomes delinquent, interest will continue to accrue on the balance remaining due and unpaid, and Hanson will be assessed both an administrative charge to cover the cost of processing and handling the delinquent **claim** and a penalty charge of six percent per year. However, although the penalty charge will be computed from the date that the civil penalty becomes delinquent, it will be assessed only on sums due and unpaid for over 90 days after that date. See 31 U.S.C.A. § 3717 and 4 C.F.R. § 102.13.

The foregoing constitutes the initial written notice and demand to Hanson in accordance with section 102.2(b) of the Federal Claims Collection Standards (4 C.F.R. § 102.2(b)).

UNITED STATES OF AMERICA

DEPARTMENT OF COMMERCE

_____))
In the Matter of))
)) Case No. 98-13
HANSON AGGREGATES WEST, INC.))
))
_____))

SETTLEMENT AGREEMENT

This agreement is made by and between Hanson Aggregates West, Inc. formerly doing business as Gifford - Hill & Company ("Hanson"), a domestic concern resident in the State of Texas, and the Office of Antiboycott Compliance, Bureau of Export Administration, United States Department of Commerce ("Department"), pursuant to Section 766.18 (a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1998)), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1998)) (the "Act").¹

WHEREAS, the Department has notified Hanson of its intention to initiate an administrative proceeding against it, pursuant to

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)) and August 13, 1998 (63 **Fed. Reg.** 44121, August 17, 1998), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1998)).

Section 11 (c) of the Act by issuing the Proposed Charging Letter, dated January 26, 1999, a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, Hanson has reviewed the Proposed Charging Letter and **is** aware of the allegations against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; Hanson **fully** understands the terms of this Settlement Agreement, and enters into this Settlement Agreement voluntarily and with full knowledge of its **rights; and** Hanson states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, Hanson neither admits nor denies the truth of the allegations, but wishes to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Hanson agrees to be bound by the appropriate Order ("Order") when entered;

NOW, THEREFORE, Hanson and the Department agree as follows:

1. Under the Act and the Regulations, the Department has jurisdiction over Hanson with respect to the matters alleged in the Proposed Charging Letter.
2. Hanson will pay to the Department, within 30 days of service upon it of the appropriate Order, when entered, the amount of \$3,000 in complete settlement of all matters set forth in the Proposed Charging Letter.
3. As authorized by Section **11(d)** of the Act, timely payment of the amount agreed to in paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Hanson. Failure to make payment of this amount, in a **timely** manner, shall result in the denial of all of Hanson's export privileges for a period of one year from the date of entry of the appropriate Order.
4. Subject to the approval of this Settlement Agreement pursuant to paragraph 9 hereof, Hanson hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the appropriate Order, when entered) including, without limitation, any right to:

- a. an administrative hearing regarding the allegations in the Proposed Charging Letter;
 - b. request a refund of the funds paid by Hanson pursuant to this Settlement Agreement and the appropriate Order, when entered; or
 - c. seek judicial review or otherwise contest the validity of this Settlement Agreement or the appropriate Order, when entered.
5. The Department, upon entry of the appropriate Order, will not subsequently initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against Hanson, with respect to any violation of Section 8 of the Act or Part 760 of the Regulations arising out of the transactions set forth in the Proposed Charging Letter or any other transaction that was disclosed to or reviewed by the Department in the course of its investigation.
6. Hanson understands that the Department will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the appropriate Order, when entered.

7. This Settlement Agreement is for settlement purposes **only**, and does not constitute an admission by Hanson that it or Gifford - Hill & Company have violated the Regulations or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement. Therefore, if this Settlement Agreement is not accepted and an appropriate Order not entered by the Assistant Secretary for Export Enforcement, the Department may not use this Settlement Agreement in any administrative or judicial proceeding.

8. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate Order, when entered. This Settlement Agreement shall not 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 herein addressed.

9. This Settlement Agreement will become binding on the Department only when approved by the Assistant

Secretary for Export Enforcement by entering the appropriate Order.

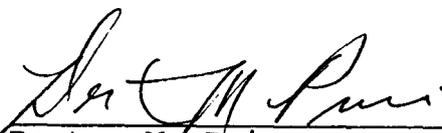
HANSON AGGREGATES WEST, INC.



Michael H. Hyer
Vice President

Date: 3-16-99

U.S. DEPARTMENT OF COMMERCE



Dexter M. Price
Director
Office of Antiboycott Compliance

Date: April 6, 1999



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Export Administration
Washington, D.C. 20230

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 26, 1999

Gifford - Hill & Company
Concrete Products Division
P.O. Box 840583
Dallas, TX 75284-0583

Case No. 98-13

Gentlemen/Ladies:

We have reason to believe and charge that you, Gifford - Hill & Company, ("Gifford"), have committed two violations of the Export Administration Regulations currently codified at 15 C.F.R. Parts **730-774 (1998)**, (the "Regulations"), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. **§§** 2401-2420 (1991 and Supp. **1998**))¹ (the "Act").

We charge that with intent to comply with, further or support an unsanctioned foreign boycott, you, in one instance furnished information concerning your business relationships with or in a boycotted country, an activity prohibited by Section 760.2(d) of the Regulations, and not excepted. We charge you with one violation of Section 760.2(d).

We also charge that you failed, in one instance, to report to the Office of Antiboycott Compliance your receipt of a request to engage in a restrictive trade practice or boycott, in accordance with Section 760.5 of the Regulations.

We allege that:

1. You are a domestic concern resident in the State of Texas and, as such, you are a United States person as defined in Section **760.1(b)** of the Regulations.

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. **501 (1996)**), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. **306 (1998)**) and August 13, 1998 (63 **Fed. Reg.** 44121, August 17, 1998), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. **§§** 1701-1706 (1991 & Supp. 1998)).



2. During July 1996, you engaged in a transaction involving the sale or transfer of goods or services, including information, from the United States to Kuwait, activities in the interstate or foreign commerce of the United States as defined in Section 760.1(d) of the Regulations.
3. In connection with a transaction with Kuwait, referred to in paragraph 2 above, on or about July 17, 1996, you provided a Certificate of Origin, # 449096, for exports to AL - BAHAR & BARDAWIL SPECIALTIES CO. W.L.L., Safat, Kuwait. You provided the following statement on the certificate of origin:

THE GOODS SHIPPED ARE NEITHER OF ISRAELI ORIGIN NOR DO THEY CONTAIN ANY ISRAELI MATERIALS NOR THEY ARE BEING SHIPPED FROM ISRAEL. [SIC]
4. By submitting the certificate of origin, as described in paragraph 3, above, you furnished information concerning your business relationships with or in a boycotted country, an activity prohibited by Section 760.2(d) of the Regulations, and not excepted. We hereby charge you with one violation of Section 760.2(d).
5. In connection with the transaction referred to in paragraph 2 above, during July 1996, you received the request for the certification described in paragraph 3, above. That request constitutes a request to engage in a restrictive trade practice or boycott which you were required to report to The Office of Antiboycott Compliance. By failing to report, in a timely manner, your receipt of a boycott request, you have committed one violation of Section 760.5 of the Regulations. We hereby charge you with one violation.

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of obtaining an order imposing administrative **sanctions**.²

² Administrative sanctions may include any or all of the following:

- A civil penalty of \$10,000 per violation (see Section 764.3(a)(1) of the Regulations);
- Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or
- Exclusion from practice (see Section 764.3(a)(3) of the Regulations).

You are entitled to a hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for it with your answer. You are entitled to be represented by counsel, and, under Section 766.18 of the Regulations, to seek a settlement agreement.

If you fail to answer the allegations contained in this letter within thirty days after service as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

As provided in Section 766.3, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between BXA and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filled with:

U.S. Coast Guard ALJ Docketing Center
40 South Gay Street
Baltimore, Maryland 21202-4022
Attention: Administrative Law Judge

Also, in accordance with the instructions in Section 766.5(b) of the Regulations, a copy of your answer should be served on the Bureau of Export Administration at:

Office of the Chief Counsel for Export Administration
U.S. Department of Commerce
Room H-3839
14th Street & Constitution Avenue, N.W.
Washington, D.C. 20230

The Office of the Chief Counsel for Export Administration may be contacted by telephone at (202) 482-5311

Sincerely,

Dexter M. Price
Director
Office of Antiboycott Compliance