
UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

BUREAU OF
EXPORT
ADMINISTRATION

FOR IMMEDIATE RELEASE
August 17, 2001
bxa.doc.gov

CONTACT: Eugene Cottilli
(202) 482-2721

TEXAS COMPANY SETTLES ANTIBOYCOTT CHARGES

U.S. Department of Commerce Assistant Secretary for Export Enforcement Michael J. Garcia announced today that a \$111,250 civil penalty has been imposed on G.M. Marketing Company, a furniture exporter located in Dallas, Texas. The penalty settles charges that G.M. Marketing committed 41 violations of the antiboycott provisions of the Export Administration Regulations issued under the authority of the Export Administration Act of 1979, as amended.

The antiboycott provisions prohibit U.S. companies and individuals from complying with certain aspects of unsanctioned foreign boycotts. The Commerce Department's Bureau of Export Administration, through its Office of Antiboycott Compliance (OAC), investigates alleged violations of the antiboycott provisions, provides support in administrative and criminal litigation involving the antiboycott violations, and prepares antiboycott cases for settlement.

From 1991 through 1995, G.M. Marketing engaged in several transactions involving the sale of goods from the United States to Kuwait, Saudi Arabia, Dubai, and Qatar. The OAC charged that G.M. Marketing violated the antiboycott provisions by furnishing information concerning other persons' business relationships in Kuwait and the United Arab Emirates. Specifically, the OAC alleged that G.M. Marketing told other parties to the transactions that ships involved in the transactions were able to enter ports located in the boycotting countries. These statements, according to OAC, conveyed information about the blacklist status of those ships, thereby illegally complying with the boycott. The OAC also alleged that G.M. Marketing failed to report that its customers in Saudi Arabia, Kuwait, and Qatar had required that the shipping documents and certificates of origin not indicate goods of Israeli origin. In addition, the OAC alleged that G.M. Marketing failed to maintain certain records as required by the antiboycott provisions, such as letters of credit, certificates of origin, and steamship certificates.

G.M. Marketing neither admitted nor denied the allegations, but agreed to the civil penalty of \$111,250 to settle the charges. A portion of the penalty will be suspended for two years and waived if G.M. Marketing commits no further violations during that two-year period.

Mr. Garcia commended the efforts of Senior Compliance Officer Cathleen Ryan from the OAC who investigated this case.

UNITED STATES OF AMERICA

DEPARTMENT OF COMMERCE

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In the Matter of)
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G.M. Marketing Company)
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Case No. 95-28

ORDER

The Office of Antiboycott Compliance, Bureau of Export Administration, U.S. Department of Commerce (“Department”), having determined to initiate an administrative proceeding pursuant to Section 11(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1991, Supp. 2000 and Pub. L. No. 106-508, November 13, 2000)) (the “Act”)¹ and the Export Administration Regulations (currently codified at 15 C.F.R Parts 730-774 (2000)) (the “Regulations”), against G.M. Marketing Company (“GM”), a domestic concern resident in the State of Texas, based on allegations set forth in the Proposed Charging Letter, dated March 19, 2001, a copy of which is attached hereto and incorporated herein by this reference;

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 Fed. Reg. 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).

The Department and GM 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 ORDERED THAT,

FIRST, a civil penalty of \$111,250 is assessed against GM;

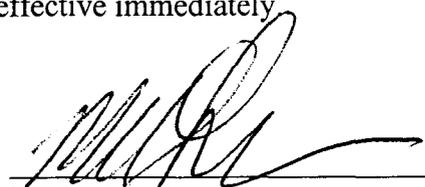
SECOND, GM shall pay to the Department in complete settlement of this matter the sum of \$15,750 in the following manner: \$5,250 on or before August 15, 2001; \$5,250 on or before June 1, 2002; and \$5,250 on or before June 1, 2003. Payment of the \$95,500 remaining civil penalty will be suspended from the date this Order is entered until June 15, 2003 and will thereafter be waived, provided that, during the period of suspension, GM does not violate the Act, the Regulations or this Order and provided further that, GM makes timely payment of the sum of \$15,750 in the manner prescribed above.

THIRD, pursuant to the Debt Collections Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 2000)), 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 dates specified herein, GM 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 \$15,750 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 GM. Accordingly, if GM should fail to pay the sum of \$15,750 in the manner prescribed by this Order, I will enter an Order under the authority of Section 11(d) of the Act denying all of GM'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 GM.

This Order is effective immediately



Michael J. Garcia
Assistant Secretary for Export Enforcement

Entered this 17th day of August, 2001

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: Zoraida Vazquez

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 GM 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. §§ 3701-3720E (1983 and Supp. 2000)) and the Federal Claims Collection Standards (4 C.F.R. Parts 101-105 (1999)), 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 GM 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 GM will also 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 GM 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

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In the Matter of)
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G.M. Marketing Company) Case No. 95-28
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SETTLEMENT AGREEMENT

This agreement is made by and between G.M. Marketing Company (“GM”), 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 (2000)) (the “Regulations”), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1991, Supp. 2000 and Pub. L. No. 106-508, November 13, 2000)) (the “Act”).¹

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 Fed. Reg. 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).

WHEREAS, the Department has notified GM of its intention to initiate an administrative proceeding against GM pursuant to Section 11(c) of the Act by issuing the Proposed Charging Letter dated March 19, 2001, a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, GM 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; GM fully understands the terms of this Settlement Agreement, and enters into this Settlement Agreement voluntarily and with full knowledge of its rights; and GM states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, GM 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, GM agrees to be bound by the appropriate Order (“Order”) when entered;

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

1. Under the Act and the Regulations, the Department has jurisdiction over GM with respect to the matters alleged in the Proposed Charging Letter.

2. The Department will impose a civil penalty on GM in the amount of \$111,250. GM will pay to the Department, in accordance with the terms of the Order, when entered, the amount of \$15,750 in complete settlement of all matters set forth in the Proposed Charging Letter. Payment of the \$95,500 remaining civil penalty will be suspended from the date the Order is entered until June 15, 2003 and will thereafter be waived, provided that, during the period of suspension, GM does not violate the Act, the Regulations, this Settlement Agreement or the Order, when entered, and provided further that GM makes timely payment of the sum of \$15,750 in the manner prescribed in the Order.

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 GM. Failure to make payment of this amount shall result in the denial of all of GM's export privileges for a period of one year from the date of entry of the Order.

4. Subject to the approval of this Settlement Agreement, pursuant to paragraph 9 hereof, GM hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the 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 GM pursuant to this Settlement Agreement and the Order, when entered; or
 - C. Seek judicial review or otherwise contest the validity of this Settlement Agreement or the Order, when entered.

5. The Department, upon entry of the Order, will not initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against GM, with respect to any violation of Section 8 of the Act or Part 769 or redesignated 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. GM understands that the Department will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the Order, when entered.

7. This Settlement Agreement is for settlement purposes only, and does not constitute an admission by GM that it has 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 the Order not entered by the Assistant Secretary for Export Enforcement, the Department may not use this Settlement Agreement against GM 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 Order, when entered, nor shall this Settlement Agreement 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. This paragraph shall not limit GM's right to challenge any action brought by any other agency based on a referral by the Department or any employee thereof, in contravention of paragraph 5 of this Settlement Agreement.

9. This Settlement Agreement will become binding on the Department only when approved by the Assistant Secretary for Export Enforcement by entering the Order.

G.M. Marketing Company

A handwritten signature in black ink, appearing to read "George Moussa", written over a horizontal line.

George Moussa, President

DATE: June 1, 2001

U.S. DEPARTMENT OF COMMERCE

A handwritten signature in black ink, appearing to read "Dexter M. Price", written over a horizontal line.

Dexter M. Price -
Director
Office of Antiboycott Compliance

DATE: July 13, 2001



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

PROPOSED CHARGING LETTER

March 19, 2001

G.M. Marketing Company
4900 Calvert Street
Dallas, TX 75247

Attention: Mr. George Moussa
President

Case No. 95-28

Gentlemen:

We have reason to believe and charge that you, G. M. Marketing Company, have committed forty-one violations of the Export Administration Regulations, currently codified at 15 C.F.R. Parts 730-774 (2000), (the "Regulations")¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1991, Supp. 2000 and Pub. L. No. 106-508, November 13, 2000))(the "Act").²

We charge that you committed ten violations of Section 769.2(d) of the former Regulations, in that, with intent to comply with, further or support an unsanctioned foreign boycott, you furnished ten items of information about your business relationships with other persons who are known or believed to be restricted from having any business relationships with or in a boycotting country.

¹ The alleged violations occurred in 1993, 1994 and 1995. The Regulations governing the violations at issue are found in the 1993-1995 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1993-1995)). Those Regulations define the violations that we allege occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations established the procedures that apply to the matters in this letter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 Fed. Reg. 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).



We also charge that you, on twenty occasions, in violation of Section 769.6 of the former Regulations, failed to report to the Department your receipt of requests to engage in restrictive trade practices or boycotts.

Lastly, we charge that you, on eleven occasions, failed to maintain records containing information relating to reportable boycott requests for a three-year period after your receipt of the requests, as directed by Sections 769.6(b)(8) and 787.13(e) of the former Regulations.

We allege that:

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

2. During the period 1991 through 1995, you engaged in transactions involving the sale of goods from the United States to, *inter alia*, Kuwait, Saudi Arabia, Dubai and Qatar, activities in the interstate or foreign commerce of the United States as defined in Section 769.1(d) of the former Regulations.

3. In connection with the activities described in paragraph 2 above, on ten occasions, you furnished information prepared by you, as described in Table A, which is attached and incorporated herein, concerning your business relationships with other persons who are known or believed to be restricted from having any business relationship with or in a boycotting country, activities prohibited by Section 769.2(d) of the former Regulations, and not excepted. We therefore charge you with ten violations of Section 769.2(d)

4. In connection with these same activities described in paragraph 2 above, on twenty occasions, you received requests to engage in restrictive trade practices or boycotts, described in Table B, which is attached and incorporated by this reference, which you failed to report to the Department as directed by Section 769.6 of the former Regulations. We therefore charge you with twenty violations of Section 769.6.

5. On September 18-19, 1995, officials of the Department's Bureau of Export Administration's Office of Antiboycott Compliance visited you and requested that you produce and make available for inspection the documents described in Table C, which is attached and incorporated by this reference. You failed to produce these eleven documents. Sections 769.6(b)(8) and 787.13(e) of the former Regulations required you to maintain these documents for a three year period after you received them.

Accordingly, we charge you with eleven violations of Sections 769.6(b)(8) and 787.13(e) of the former Regulations.

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions.³

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 (30) 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 The Bureau of Export Administration 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 matter set forth in this letter. Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filed with:

U.S. Coast Guard ALJ Docketing Center
40 South Gay Street
Baltimore, Maryland 21202-4022

Attention: Administrative Law Judge

³ Administrative sanctions may include any or all the following:

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

Also, in accordance with the instructions in Section 766.5(b) of the Regulations, a copy of your answer should also 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

Sincerely,

Dexter M. Price
Director
Office of Antiboycott Compliance

TABLE A

Schedule of Alleged Violations of Section 769.2(d)
Furnishing Prohibited Business Information

G. M. Marketing Company Case No. 95-28

Item	Document Furnished	On or About	Inv. #	Information Furnished
1	Certificate of Origin	02.28.92	1939A	A
2	Certificate of origin	03.17.92	1914	A
3	Certificate of origin	04.27.92	1958	A
4	Certificate of origin	05.19.92	1964	A
5	Certificate of origin	09.24.92	2016	A
6	Certificate of origin	09.15.92	2025	A
7	Certificate of origin	09.15.92	2027	A
8	Certificate of Origin	09.10.92	2038	A
9	Shipper's Export Declaration	03.09.92	1946	B
10	Letter	04.27.92	1958	A

KEY TO INFORMATION FURNISHED:

A = "We state that the carrying vessel is allowed to enter Kuwait ports."

B = "We certify that the vessel.....is not banned entry to the ports of the Arab States for any reason whatsoever under the laws and regulations of such states."

TABLE B

Schedule of Alleged Violations of Section 769.6
Failure to Report Receipts of Boycott Requests

G. M. Marketing Company Case No. 95-28

Item	Letter of Credit Number	Date of Receipt [on or about]	Boycotting Country	Boycott Request
1	630835	08.30.93	S. Arabia	A
2	E 744224	02.04.92	Kuwait	B
3	E 744325	03.16.92	Kuwait	B
4	E 744382	04.01.92	Kuwait	B
5	E 744526	05.13.92	Kuwait	B
6	E 744637	06.18.92	Kuwait	B
7	E 744691	07.13.92	Kuwait	B
8	E 744757	08.10.92	Kuwait	B
9	E 744767	08.12.92	Kuwait	B
10	E 744770	08.12.92	Kuwait	B
11	E 744768	08.13.92	Kuwait	B
12	E 743757	09.18.91	Kuwait	B
13	E 743780	09.28.91	Kuwait	B
14	E 744168	01.21.92	Kuwait	B
15	E 744769	08.11.92	Kuwait	B
16	E 746823	03.30.94	Kuwait	C
17	641157	06.06.95	Qatar	D
18	641186	06.06.95	Qatar	D
19	641187	06.06.95	Qatar	D
20	641189	06.06.95	Qatar	D

KEY TO BOYCOTT REQUEST:

A = "Appended declaration to Bill(s) of Lading with the following text must be accompanied with the required documents.

Quote

Appended declaration to Bill of Lading.....The undersigned accordingly declares that the owner or the captain of the above named vessel is not registered or owned by other persons or companies than the mentioned above....."

B = "Documents not acceptable:

A) Documents evidencing shipment of goods of Israeli and or South African origin."

C = ".....Importation of goods from the countries mentioned hereinafter is strictly prohibited by Kuwait Import Regulations, therefore Certificates of Origin covering goods originated in the following countries are not acceptable: (ISRAEL and SOUTH AFRICA)"

D = "DOCUMENTS REQUIRED:

.....Certificate from the owner, agent or captain of the carrying vessel.....confirming that it.....is permitted to enter Arab Ports."

TABLE C

Schedule of Alleged Violations of Sections
787.13 and 769.6(b) (8)
Recordkeeping Violations
G. M. Marketing Company Case No. 95-28

Item	Missing Documents	File/ Invoice Number	Date of Receipt of Boycott Request	Date Discarded (D) or Date Requested (R)	Boycott Request
1	L/C E743757	# 1828	09.18.91	06.93 (D)	A
2	L/C E743780	# 1837	09.28.91	06.93 (D)	A
3	L/C E744168	# 1928	01.21.92	06.93 (D)	A
4	L/C E744769	# 2033	08.11.92	06.93 (D)	A
5	Certificate of Origin & Bill of Lading	# 1990	05.13.92	06.93 (D)	A
6	Certificate of Origin & Bill of Lading	# 4130	08.30.93	09.95 (R)	B
7	Certificate of Origin & Bill of Lading	# 2040	08.13.92	06.93 (D)	A
8	Bill of Lading & Steamship Certificate	# 2016	06.18.92	06.93 (D)	A
9	Bill of Lading & Steamship Certificate	# 2025	07.13.92	06.93 (D)	A
10	Bill of Lading & Steamship Certificate	# 2027	08.10.92	06.93 (D)	A
11	Bill of Lading & Steamship Certificate	# 2038	08.12.92	06.93 (D)	A

KEY TO BOYCOTT REQUEST:

A = "Documents not acceptable:

A) Documents evidencing shipment of goods of Israeli and or South African origin."

B = "Appended declaration to Bill(s) of Lading with the following text must be accompanied with the required documents.

Quote

Appended declaration to Bill of Lading.....The undersigned accordingly declares that the owner or the captain of the above named vessel is not registered or owned by other persons or companies than the mentioned above....."