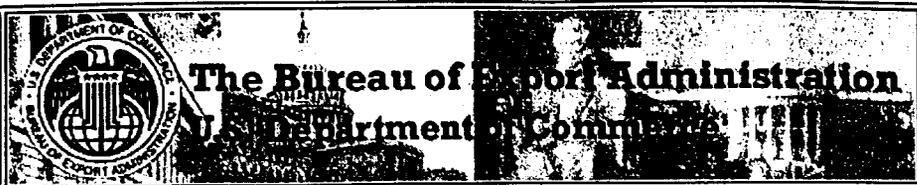


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**For Immediate Release**  
**December 12, 2001**

**Contacts:**

Catherine Willis  
Eugene Cottilli  
(202) 482-2721  
Email

**Two Foreign Subsidiaries of a Florida Company  
Settle Antiboycott Charges**

U.S. Department of Commerce Assistant Secretary for Export Enforcement Michael J. Garcia announced today that two foreign subsidiaries of the Sunbeam Corporation, a Florida-based consumer products company, have agreed to pay \$9,000 to settle allegations for violating antiboycott laws. The Sunbeam Corporation voluntarily disclosed the violations on behalf of its foreign subsidiaries, Coleman Benelux, B.V. and Sunbeam Europe, Limited. The antiboycott provisions of the Export Administration (EAR) prohibit US. persons - including foreign subsidiaries of U.S. companies - from complying with certain aspects of unsanctioned foreign boycotts.

The Bureau of Export Administration's Office of Antiboycott Compliance ("OAC") alleged that Coleman Benelux B.V., a Netherlands corporation, committed three violations of the antiboycott provisions of the EAR in connection with the shipment of goods to Lebanon in 1999. According to OAC, Coleman Benelux, B.V. agreed not to use ships "blacklisted" by the Israeli Boycott Office in Lebanon. In addition, Coleman Benelux B.V. gave prohibited information when it recorded this agreement on shipping documents. The company also failed to report its receipt of the boycott request in a timely fashion as required by the EAR. OAC also alleged that Sunbeam Europe Limited, a U.K. corporation, failed to make a timely report of its receipt of three boycott requests received in 1997 and 1998 from Lebanon and Qatar.

While neither admitting nor denying the allegations, Coleman Benelux B.V. agreed to pay a \$6,000 civil penalty, and Sunbeam Europe Limited agreed to pay a \$3,000 civil penalty.

Assistant Secretary Garcia commended the efforts of OAC Compliance Officer Gary Mohler who investigated this case.



The Department and Coleman Benelux 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 \$6,000 is assessed against Coleman Benelux;

SECOND, Coleman Benelux shall pay to the Department the sum of \$6,000, within thirty (30) days of the date of this Order, as specified in the attached instructions.

THIRD, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C.A §§ 3701-37203 (1983 and Supp. 2001)), 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, Coleman Benelux may 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 \$6,000 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 Coleman Benelux. Accordingly, if Coleman Benelux should fail to pay the sum of \$6,000 in a timely manner, I will enter an Order under the authority of Section 11(d) of the Act denying all of Coleman Benelux'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 Coleman Benelux.

This Order is effective immediately.

  
\_\_\_\_\_  
Michael J. Garcia  
Assistant Secretary for Export Enforcement  
Bureau of Export Administration

Entered this 15<sup>th</sup> day of November, 2001

Attachments

NOTICE

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty. 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. 2001)), and the Federal Claims Collection Standards (65 Fed. Reg. 70390-70406, November 22, 2000, to be codified at 31 C.F.R. Parts 900-904), 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 respondent 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 31 C.F.R. § 901.9.

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, the respondent 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 31 C.F.R. § 901.9.

The foregoing constitutes the initial written notice and demand to respondent in accordance with Section 901.2(b) of the Federal Claims Collection Standards (31 C.F.R. § 901.2(b)).

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



Coleman Benelux pursuant to Section 11 (c) of the Act by issuing the Proposed Charging Letter, dated July 11, 2001, a copy of which is attached hereto and incorporated herein by this reference; and

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

WHEREAS, Coleman Benelux neither admits nor denies the truth of the allegations contained in the Proposed Charging Letter; and

WHEREAS, Coleman Benelux and the Department wish to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

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

NOW, THEREFORE, Coleman Benelux and the Department agree as follows:

1. Under the Act and the Regulations, the Department has jurisdiction over Coleman Benelux with respect to the matters alleged in the Proposed Charging Letter.
2. In complete settlement of all matters set forth in the Proposed Charging Letter, Coleman Benelux will pay to the Department the amount of \$6,000 within 30 days of the date of the appropriate Order, when entered.
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 Coleman Benelux. Failure to make payment, in a timely manner, shall result in the denial of all of Coleman Benelux'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, Coleman Benelux 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 Coleman Benelux 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 or any other agency of the United States Government for possible enforcement action, against Coleman Benelux or any of its officers, directors, employees or related companies, with respect

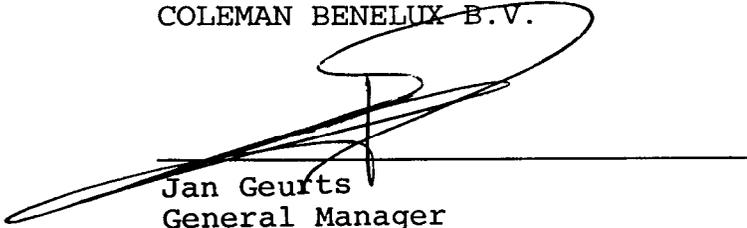
to any violation of Section 8 of the Act or Part 760 of the Regulations arising out of the transactions set forth in the Proposed Charging Letter or any other transaction that was disclosed to or reviewed by the Department in the course of its investigation.

6. Coleman Benelux 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 a finding or determination by the Department or an admission by Coleman Benelux that Coleman Benelux has violated the Act or the Regulations or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement. 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 against Coleman Benelux 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.

COLEMAN BENELUX B.V.



Jan Geurts  
General Manager

Date: October 19, 2001

U.S. DEPARTMENT OF COMMERCE



Dexter M. Price  
Director  
Office of Antiboycott Compliance

Date: October 29, 2001



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

PROPOSED CHARGING LETTER

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

July 11, 2001

Coleman Benelux B.V.  
Takkebijsters 37B  
4817 BL Breda  
Nederland

Case No. 00-5B

Gentlemen:

We have reason to believe and charge that you, Coleman Benelux B.V., have committed three violations of the Export Administration Regulations, currently codified at 15 C.F.R. Parts 730-774 (2001), (the "Regulations") issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. §§ 2401-2420 (1991 and Supp. IV 1998 and Pub.L. No. 106-508, 114 Stat. 2360, November 13, 2000)) (the "Act").<sup>1</sup> We charge that you, with intent to comply with, further, or support an unsanctioned foreign boycott, agreed to refuse to do business with other persons pursuant to an agreement with, a requirement of or request from or on behalf of a boycotting country, in violation of Section 760.2(a) of the Regulations; additionally, you furnished one item of information about your business relationships with another person who is known or believed to be restricted from having any business relationship with or in a boycotting country, in violation of Section 760.2(d) of the Regulations. Additionally, we charge that, on one occasion you failed to report to the Department, as directed by Section 760.5 of the Regulations, your receipt of a request to engage in a restrictive trade practice or an unsanctioned foreign boycott.

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<sup>1</sup> The Act expired on August 20, 2001. Executive Order 13222 of August 17, 2001 (66 Fed. Reg. 44025 (August 22, 2001)), continued the Regulations in effect under the International Emergency Economic Powers Act ("IEEPA") (50 U.S.C.A. §§ 1701-1706(1991 & Supp. IV 1998)).



We allege that:

1. Sunbeam Corporation is a domestic concern resident in the State of Florida, and as such, Sunbeam Corporation is a United States **person** as defined in Section 760.1(b) of the Regulations.
2. You, Coleman Benelux B.V., a company located in the Netherlands, are a wholly owned subsidiary of the Sunbeam Corporation and, as such, you are a controlled in act foreign subsidiary of a domestic concern, as defined in Section 760.1(c) of the Regulations, and as such, you are a United States person as defined in Section 760.1(b) of the Regulations.
3. During the period December 1998 through February 1999, you engaged in a transaction involving the shipment of United States origin goods, to Lebanon, an activity in the interstate or foreign commerce of the United States, as defined in Section 760.1(d) of the Regulations.
4. On or about December 14, 1998, you received Letter of Credit 134886 from Commerzbank (Nederland) N.V. in Amsterdam, Netherlands. That letter of credit contained a request that, the beneficiary certify to the following:

"...we commit ourselves not to load the goods of the present invoice on board of [sic]...ships blacklisted by the Israeli Boycott Office . . ."
5. On or about January 30, 1999 you shipped goods relating to the transaction referred to in paragraph 3 above, to Lebanon
6. In connection with the request referred to in paragraph 4 above, on or about January 28, 1999, you provided the following certification:

"**We** commit ourselves not to load the goods of the present invoice on board of [sic]... ships blacklisted by the Israeli Boycott Office...."
7. By shipping goods under the request referred to in paragraph 4, above, without deleting, rejecting or otherwise-taking exception to the request, you agreed to refuse to do business with other persons pursuant to an agreement with, a requirement of or a request from **or on behalf** of a boycotting country, an activity prohibited by Section 760.2(a) of the Regulations, and not excepted.

8. Additionally, by providing the information referred to in paragraph 6 above, you, furnished one item of information about your business relationships with another person who is known or believed to be restricted from having a business relationship with or in a boycotting country, an activity prohibited by Section 760.2(d) of the Regulations, and not excepted.
  
9. In connection with the letter of credit referred to in paragraph 4 above, you received a request to take an action which had the effect of furthering or supporting a restrictive trade practice or an unsanctioned foreign boycott. You failed to report the request to the Department as directed by Section 760.5 of the Regulations. We therefore charge you with one violation of Section 760.5 of the 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.<sup>2</sup> ~~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.

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

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<sup>2</sup> Administrative sanctions may include any or all the following:

- a. Denial of export privileges (See Section 764.3(a) (2) of the Regulations);
- b. Exclusion from practice (See Section 764.3(a) (3) of the Regulations); and/or
- c. The maximum civil penalty of \$11,000 per violation. Pursuant to the Federal Civil penalties Adjustment Act of 1990 (28 U.S.C. § 2461, note (1994 & Supp. V 1999)) and 15 C.F.R. § 6.4 (a) (2), the maximum penalty for each violation committed after October 23, 1996 and before November 1, 2000 is \$11,000.

Section 766.18 of the Regulations, to seek a settlement agreement.

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 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 filed 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(a) 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

The Office of Chief Counsel for Export Administration can be reached by telephone at (202)-482-5311.

Sincerely,

Dexter M. Price  
Director  
Office of Antiboycott Compliance



The Department and Sunbeam Europe 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 Sunbeam Europe;

SECOND, Sunbeam Europe shall pay to the Department the sum of \$3,000, within thirty (30) days of the date of this Order, as specified in the attached instructions.

THIRD, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C.A §§ 3701-37203 (1983 and Supp. 2001)), 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, Sunbeam Europe may 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 Sunbeam Europe. Accordingly, if Sunbeam Europe 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 Sunbeam Europe'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 Sunbeam Europe.

This Order is effective immediately.

  
\_\_\_\_\_  
Michael J. Garcia  
Assistant Secretary for Export Enforcement  
Bureau of Export Administration

Entered this 15<sup>th</sup> day of November, 2001

Attachments

## NOTICE

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty. 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. 2001)), and the Federal Claims Collection Standards (65 Fed. Reg. 70390-70406, November 22, 2000, to be codified at 31 C.F.R. Parts 900-904), 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 respondent 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 31 C.F.R. § 901.9.

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, the respondent 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 31 C.F.R. § 901.9.

The foregoing constitutes the initial written notice and demand to respondent in accordance with Section 901.2(b) of the Federal Claims Collection Standards (31 C.F.R. § 901.2(b)).

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

UNITED STATES OF AMERICA  
DEPARTMENT OF COMMERCE

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In the Matter of  
SUNBEAM EUROPE LIMITED

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)  
)  
) Case No. 00-5A  
)  
)

SETTLEMENT AGREEMENT

This agreement is made by and between Sunbeam Europe Limited, ("Sunbeam Europe"), a wholly owned foreign subsidiary of a domestic concern, 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 (2001)), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. IV and Pub. L. No. 106-508, 114 Stat. 2360, November 13, 2000)) (the "Act").<sup>1</sup>

WHEREAS, the Department has notified Sunbeam Europe of its intention to initiate an administrative proceeding against

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<sup>1</sup> The Act expired on August 20, 2001. Executive Order 13222 of August 17, 2001 (66 Fed. Reg. 44025 (August 22, 2001)), continued the Regulations in effect under the International Emergency Economic Powers Act ("IEEPA") (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. IV 1'98)).

Sunbeam Europe pursuant to Section 11(c) of the Act by issuing the Proposed Charging Letter, dated July 11, 2001, a copy of which is attached hereto and incorporated herein by this reference; and

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

WHEREAS, Sunbeam Europe neither admits nor denies the truth of the allegations contained in the Proposed Charging Letter; and

WHEREAS, Sunbeam Europe and the Department wish to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

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

NOW, THEREFORE; Sunbeam Europe and the Department agree as follows:

1. Under the Act and the Regulations, the Department has jurisdiction over Sunbeam Europe with respect to the matters alleged in the Proposed Charging Letter.
2. In complete settlement of all matters set forth in the Proposed Charging Letter, Sunbeam Europe will pay to the Department the amount of \$3,000 within 30 days of the date of the appropriate Order, when entered.
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 Sunbeam Europe. Failure to make payment, in a timely manner, shall result in the denial of all of Sunbeam Europe'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, Sunbeam Europe 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 Sunbeam Europe 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 or any other agency of the United States Government for possible enforcement action, against Sunbeam Europe or any of its officers, directors, employees or related companies, with respect

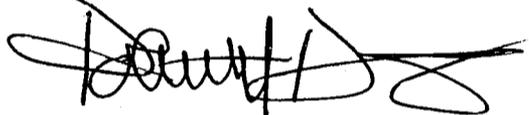
to any violation of Section 8 of the Act or Part 760 of the Regulations arising out of the transactions set forth in the Proposed Charging Letter or any other transaction that was disclosed to or reviewed by the Department in the course of its investigation.

6. Sunbeam Europe 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 a finding or determination by the Department or an admission by Sunbeam Europe that Sunbeam Europe has violated the Act or the Regulations or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement. 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 against Sunbeam Europe 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.

SUNBEAM EUROPE LIMITED



Robert Rosenzweig  
Director

Date: October 5 , 2001

U.S. DEPARTMENT OF COMMERCE



Dexter M. Price  
Director  
Office of Antiboycott Compliance

Date: October 29, 2001



PROPOSED CHARGING LETTER

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

July 11, 2001

Sunbeam Europe Limited  
Enterprise Center  
Delaware Drive  
Tongewell MK 15 8HG  
U.K.

Case No. 00-5A

Attention: Steven R. Isko, Esq.  
Senior Vice President and  
General Counsel

Gentlemen:

We have reason to believe and charge that you, Sunbeam Europe Limited, have committed three violations of the Export Administration Regulations, currently codified at 15 C.F.R. Parts 730-774 (2001), (the "Regulations") issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. §§ 2401-2420 (1991 and Supp. IV 1998 and Pub.L. No. 106-508, '114 Stat. 2360, November 13, 2000)) (the "Act").<sup>1</sup> We charge that, you, Sunbeam Europe Limited, ("Sunbeam Europe"), located in the United Kingdom, on three occasions failed to report to the Department, as directed by Section 760.5 of the Regulations, your receipt of a request to engage in a restrictive trade practice or an unsanctioned foreign boycott.

We allege that:

1. Sunbeam Corporation is a domestic concern resident in the State of Florida, and as such, is a United States person as defined in Section 760.1(b) of the Regulations.
2. You, Sunbeam Europe Limited, a company located in the United Kingdom, are a wholly owned subsidiary of the Sunbeam Corporation and, as such, you are a controlled in fact foreign subsidiary of a domestic concern, as defined in Section 760.1(c) of the Regulations, and as

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<sup>1</sup>/ The Act expired on August 20, 2001. Executive Order 13222 of August 17, 2001 (66 Fed. Reg. 44025 (August 22, 2001)), continued the Regulations in effect under the International Emergency Economic Powers Act ("IEEPA") (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. IV 1998)).



such, you are a United States person as defined in Section 760.1(b) of the Regulations.

3. During the period June 1997 through July 1998, you engaged in transactions involving the shipment of United States origin goods, to Lebanon and Qatar, activities in the interstate or foreign commerce of the United States, as defined in Section 760.1(d) of the Regulations.
4. On or about June 13, 1997, you received Letter of Credit 7189 to finance a shipment of goods to Lebanon which contained the the following directive:

"The goods referred to in the invoice must be loaded on vessels eligible to enter the port of destination according to its laws and regulations."
5. On or about September 29, 1997 you received Letter of Credit 7223 to finance a shipment of goods to Lebanon which contained the following directive:

"The goods referred to in the invoice must be loaded on vessels eligible to enter the port of destination according to its laws and regulations."
6. On or about July 5, 1998 you received Letter of Credit 110021-235 to finance a shipment of goods to Qatar which contained the following request for certification:

"A certificate from the Supplier or the Steamship Company...confirming that the vessel... is permitted to enter Arab **Ports**."
7. In connection with the letters of credit referred to in paragraphs 4,5 and 6 above, you received requests to take an action which had the effect of furthering or supporting a restrictive trade practice or an unsanctioned foreign boycott. You failed to report the requests to the Department as directed by Section 760.5 of the Regulations. We therefore charge you with three violations of Section 760.5 of the Regulations. See the attached Schedule of Alleged Violations.

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of

obtaining an Order imposing administrative sanctions.<sup>2</sup> 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.

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.

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 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 filed with:

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

Attention: Administrative Law Judge

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<sup>2</sup> Administrative sanctions may include any or all the following:

- a. Denial of export privileges (See Section 764.3(a)(2) of the Regulations);
- b. Exclusion from practice (See Section 764.3(a)(3) of the Regulations); and/or
- c. The maximum civil penalty-of \$11,000 per violation. Pursuant to the Federal Civil Penalties Adjustment Act of 1990 (28 U.S.C. § 2461, note (1994 & Supp. V 1999)) and § 15 C.F.R. § 6.4 (a) (2), the maximum penalty for each violation committed between October 23, 1996 and before November 1, 2000 is \$11,000.

Also, in accordance with the instructions in Section 766.5(a) 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

The Office of Chief Counsel for Export Administration can be reached by telephone at (202)-482-5311.

Sincerely,

Dexter M. Price  
Director  
Office of Antiboycott Compliance

Case OO-5A  
Sunbeam Europe Limited

Schedule of Alleged Violations of Section 760.5

Letter of Credit Number	Letter of Credit Date	Date Received On or About	Country	Reportable Request or Directive
7189	June 11, 1997	June 13, 1997	Lebanon	"The goods referred to in the invoice must be loaded on vessels eligible to enter the port of destination according to its laws and regulations."
7223	Sept. 24, 1997	Sept. 29, 1997	Lebanon	"The goods referred to in the invoice must be loaded on vessels eligible to enter the port of destination according to its laws and regulations."
110021-235	July 4, 1998	July 5, 1998	Qatar	"A certificate <b>from</b> the Supplier or the Steamship Company . . .confirming that the vessel . . .is permitted to enter Arab Ports."