



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Bureau of Industry and Security**  
Washington, D.C. 20230

JAN 12 2004

*AMENDED PROPOSED CHARGING LETTER*

FEDERAL EXPRESS - OVERNIGHT

Morton International, Inc.  
123 North Wacker Drive  
Chicago, IL 60606-1743

Attention: J. Michael Fitzpatrick  
President

Dear Mr. Fitzpatrick:

The Bureau of Industry and Security, United States Department of Commerce (BIS), has reason to believe that Morton International, Inc. (Morton International),<sup>1</sup> violated the Export Administration Regulations (15 C.F.R. Parts 730-774 (2003)) (the Regulations),<sup>2</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the Act),<sup>3</sup> on 13 occasions. Specifically, BIS charges that Morton International committed the following violations:

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<sup>1</sup> On June 21, 1999, Morton International, Inc. became a wholly-owned subsidiary of Rohm and Haas Company.

<sup>2</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2003). The Regulations governing the violations at issue are found in the 1999, 2000 and 2001 versions of the Code of Federal Regulations. These Regulations are codified at 15 C.F.R. Parts 730-774 (1999-2001) and, to the degree to which they pertain to this matter, are substantially the same as the 2003 version.

<sup>3</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (IEEPA). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 7, 2003 (68 *Fed. Reg.* 47833 (August 11, 2003)), has continued the Regulations in effect under IEEPA.



**Charge 1 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Export of Thiodiglycol Without the Required License**

On or about February 22, 1999, Morton International exported thiodiglycol (ECCN 1C350), an item subject to the Regulations, from the United States to Mexico without obtaining a license from the Department of Commerce as required by Section 742.2 of the Regulations. In doing so, Morton International committed one violation of Section 764.2(a) of the Regulations.

**Charges 2-3 15 C.F.R. § 764.2(c) - Attempted Exports of Thiodiglycol Without the Required Licenses**

On two occasions, on or about March 10, 1999, and on or about March 18, 1999, Morton International attempted to export thiodiglycol (ECCN 1C350), an item subject to the Regulations, from the United States to Mexico without obtaining the licenses from the Department of Commerce as required by Section 742.2 of the Regulations. In doing so, Morton International committed two violations of Section 764.2(c) of the Regulations.

**Charge 4 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Export of Organo-inorganic Compounds Without the Required Licenses**

On or about July 14, 2000, Morton International exported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from the United States to Singapore without obtaining a license from the Department of Commerce as required by Section 742.4 of the Regulations. In doing so, Morton International committed one violation of Section 764.2(a) of the Regulations.

**Charges 5-13 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Exports of Organo-inorganic Compounds Without the Required Licenses**

On 9 occasions, from on or about May 9, 2000, through on or about May 9, 2001, Morton International exported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from the United States to Taiwan without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations. In doing so, Morton International committed 9 violations of Section 764.2(a) of the Regulations.

Each transaction is described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference.

BIS alleges that Morton International committed 11 violations of Section 764.2(a) of the Regulations, and two violations of Section 762.(c) of the Regulations, for a total of 13 violations.

Accordingly, Morton International is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law of up to \$120,000 per violation;<sup>4</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Morton International fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. (Regulations, Sections 766.6 and 766.7). If Morton International defaults, the Administrative Law Judge may find the charges alleged in this letter are true without hearing or further notice to Morton International. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

Morton International is further notified that it is entitled to an agency hearing on the record if Morton International files a written demand for one with its answer. (Regulations, Section 766.6). Morton International is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should you have a proposal to settle this case, you or your representative should transmit it to me through the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Morton International's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

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

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<sup>4</sup> Pursuant to the Federal Civil Penalties Adjustment Act of 1990 (28 U.S.C. §2461, note (2000)), and 15 C.F.R. §6.4(a) (2003), the maximum penalty for each violation committed after October 23, 1996 and before November 1, 2000 is \$11,000, except that the maximum penalty for each violation of a national security control occurring between and including November 13, 2000 and August 20, 2001 is \$120,000.

Morton International, Inc.  
Proposed Charging Letter  
Page 4 of 4

In addition, a copy of Morton International's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Christine Lee  
Room H-3839  
United States Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Christine Lee is the attorney representing BIS in this case; any communications that you may wish to have concerning this matter should occur through her. Ms. Lee may be contacted by telephone at (202) 482-5301.

Sincerely,

Mark D. Menefee  
Director  
Office of Export Enforcement

Enclosure

# **SCHEDULE A**

**AMENDED SCHEDULE OF VIOLATIONS  
EXPORTS BY  
MORTON INTERNATIONAL, INC.**

<b>Charge No.</b>	<b>Export Date (on or about)</b>	<b>Commodity *</b>	<b>Air Waybill No. or Bill of Lading No.</b>	<b>Invoice No.</b>	<b>Destination</b>
1	2/22/99	Thiodiglycol	19008581	470339	MEXICO
2	3/10/99	Thiodiglycol	19008803	473301	MEXICO
3	3/18/99	Thiodiglycol	19008907	474613	MEXICO
4	7/14/00	TMGa, TMAI	HLCUNYC000706838	530636, 530637	SINGAPORE
5	5/9/00	TMGa	illegible	528906, 528908	TAIWAN
6	7/25/00	TMGa, TEGa	NYKS361533879	531116, 531118	TAIWAN
7	10/15/00	TMGa, TEGa, TMIn	NYKS361536841	533519-533521, 533523, 533524, 533526	TAIWAN
8	11/29/00	TMGa, TEGa, TMAI, TEAI, TMIn	NYKS361538232	534031-534038, 534042-534045	TAIWAN

Charge No.	Export Date (on or about)	Commodity *	Air Waybill No. or Bill of Lading No.	Invoice No.	Destination
9	1/03/01	TMGa, TEGa, TMAI, DEAlEO, TMIn	NYKS361045189	534180-534189, 534193, 534196-534198	TAIWAN
10	2/14/01	TMGa, TEGa, TMAI, TEAl, TMIn	NYKS349542904	534320-534330, 534335, 534336	TAIWAN
11	3/07/01	TMGa, TEGa, TMIn, TMAI, DEAlEO	NYKS349544245	534435-534438, 534445-534449	TAIWAN
12	4/11/01	TMGa, TEGa, TMAI, TMIn	NYKS349046673	534530, 534535, 534537-534539, 534541, 534543-534554	TAIWAN
13	5/09/01	TMGa, TEGa, TMIn, TEAl, TMAI	NYKS349048387	534640-534645, 534647, 534648, 534651, 534652	TAIWAN

**\* KEY:**

TMGa - Trimethylgallium  
TEAl - Triethylaluminum  
TMSb - Trimethylantimony

TEGa - Triethylgallium  
TMIn - Trimethylindium  
DEAlEO - Diethylaluminumethoxide

TMAI - Trimethylaluminum  
TMAs - Trimethylarsenic



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Washington, D.C. 20230

JAN 12 2004

*AMENDED PROPOSED CHARGING LETTER*

FEDERAL EXPRESS - OVERNIGHT

Morton International, S.A.S.  
Le Pressoir Vert  
45400 Semoy  
France

Attention: Yves Hubert  
President

Dear Mr. Hubert:

The Bureau of Industry and Security, United States Department of Commerce (BIS), has reason to believe that Morton International, S.A.S. (Morton France),<sup>1</sup> violated the Export Administration Regulations (15 C.F.R. Parts 730-774 (2003)) (the Regulations),<sup>2</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the Act),<sup>3</sup> on 19 occasions. Specifically, BIS charges that Morton France committed the following violations:

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<sup>1</sup> On January 1, 2001, Morton S.A. was merged into Morton International S.A.S., which is a wholly-owned subsidiary of Rohm and Haas France, S.A.S.

<sup>2</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2003). The Regulations governing the violations at issue are found in the 1997 through 2001 versions of the Code of Federal Regulations. These Regulations are codified at 15 C.F.R. Parts 730-774 (1997-2001) and, to the degree to which they pertain to this matter, are substantially the same as the 2003 version.

<sup>3</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (IEEPA). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 7, 2003 (68 *Fed. Reg.* 47833 (August 11, 2003)), has continued the Regulations in effect under IEEPA.



**Charges 1-12 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Exports of Organo-inorganic Compounds Without the Required Licenses**

On 12 occasions, from on or about December 18, 1997, through on or about September 29, 2000, Morton France reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from France to Israel without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations. In doing so, Morton France committed 12 violations of Section 764.2(a) of the Regulations.

**Charges 13-18 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Exports of Organo-inorganic Compounds Without the Required Licenses**

On six occasions, from on or about October 31, 1997 through on or about September 18, 2000, Morton France reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from France to Poland without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations. In doing so, Morton France committed six violations of Section 764.2(a) of the Regulations.

**Charge 19 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Export of Organo-inorganic Compounds Without the Required Licenses**

On or about September 30, 1999, Morton France reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from France to Tunisia without obtaining a license from the Department of Commerce as required by Section 742.4 of the Regulations. In doing so, Morton France committed one violation of Section 764.2(a) of the Regulations.

Each transaction is described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference.

BIS alleges that Morton France committed 19 violations of Section 764.2(a) of the Regulations.

Accordingly, Morton France is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law of up to \$120,000 per violation;<sup>4</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Morton France fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. (Regulations, Sections 766.6 and 766.7). If Morton France defaults, the Administrative Law Judge may find the charges alleged in this letter are true without hearing or further notice to Morton France. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

Morton France is further notified that it is entitled to an agency hearing on the record if Morton France files a written demand for one with its answer. (Regulations, Section 766.6). Morton France is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should you have a proposal to settle this case, you or your representative should transmit it to me through the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Morton France's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

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

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<sup>4</sup> Pursuant to the Federal Civil Penalties Adjustment Act of 1990 (28 U.S.C. §2461, note (2000)), and 15 C.F.R. §6.4(a) (2003), the maximum penalty for each violation committed after October 23, 1996 and before November 1, 2000 is \$11,000, except that the maximum penalty for each violation of a national security control occurring between and including November 13, 2000 and August 20, 2001 is \$120,000.

Morton International, S.A.S.  
Proposed Charging Letter  
Page 4 of 4

In addition, a copy of Morton France's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Christine Lee  
Room H-3839  
United States Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Christine Lee is the attorney representing BIS in this case; any communications that you may wish to have concerning this matter should occur through her. Ms. Lee may be contacted by telephone at (202) 482-5301.

Sincerely,

Mark D. Menefee  
Director  
Office of Export Enforcement

Enclosure

# **SCHEDULE A**

**AMENDED SCHEDULE OF VIOLATIONS  
EXPORTS BY  
MORTON INTERNATIONAL, S.A.S./ROHM & HAAS FRANCE, S.A.S.**

<b>Charge No.</b>	<b>Export Date (on or about)</b>	<b>Commodity *</b>	<b>Air Waybill No. or Bill of Lading No. **</b>	<b>Invoice No.</b>	<b>Destination</b>
1	12/18/97	TMIn	FBL 01 FR	970782/1/20510	ISRAEL
2	7/29/98	TMIn	Delivery Note No. 31538	980559/1/20500	ISRAEL
3	8/31/98	TMIn, TMGa		980704/1/20510	ISRAEL
4	6/15/99	TMSb	FBL 150 FR	993157.1.23200	ISRAEL
5	6/30/99	TMGa, TMAI, TMIn		62498	ISRAEL
6	9/10/99	TEGa, TMIn	FBL 571 FR	993255.0.20510	ISRAEL
7	13/11/99	TMIn, TMGa, TMAI	LEH0024310/001	100322	ISRAEL
8	11/09/99	TMGa	Delivery Note No. 00005358	993777.1.20510	ISRAEL
9	3/05/00	TMGa, TMAI	LEH0025572/001	41898	ISRAEL
10	4/14/00	TMIn, TEGa		902283/1/20510	ISRAEL

<b>Charge No.</b>	<b>Export Date (on or about)</b>	<b>Commodity *</b>	<b>Air Waybill No. or Bill of Lading No. **</b>	<b>Invoice No.</b>	<b>Destination</b>
11	8/21/00	TMGa	Delivery Note No. 00010922	100976	ISRAEL
12	9/29/00	TMGa, TMAI		44195	ISRAEL
13	10/31/97	TMSb, TMAI		110/BST531/D/97 134/BST531/D/97	POLAND
14	5/29/98	TMGa		054/S-624/98	POLAND
15	10/30/98	TMGa, TMIn, TMAI	Delivery Note Nos. 34319 and 34320	E-MAIL PROF. LESZCZYNSKI	POLAND
16	3/12/99	TMAI	Delivery Note No. 38523	S25.391.99	POLAND
17	12/13/99	TMGa	Delivery Note No. 00006589	000039025/19/0061	POLAND
18	9/18/00	TMIn		PL/000033025	POLAND
19	9/30/99	TMIn	Delivery Note No. 00003877	03.9134097	TUNISIA

\* **KEY:** TMGa - Trimethylgallium                      TEGa - Triethylgallium                      TMAI - Trimethylaluminum  
TEAl - Triethylaluminum                      TMIn - Trimethylindium                      TMA's - Trimethylarsenic  
TMSb - Trimethylantimony                      DEAIEO - Diethylaluminumethoxide

\*\* Counsel for Morton International has stipulated that reexports did occur.



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Bureau of Industry and Security**  
Washington, D.C. 20230

JAN 12 2004

*AMENDED PROPOSED CHARGING LETTER*

FEDERAL EXPRESS - OVERNIGHT

Rohm and Haas Japan K.K.  
The Vanguard Motoazabu  
4-26 Motoazabu 3-Chome  
Minato-ku, Tokyo 106  
Japan

Attention: Mark Maguire  
Representative Director

Dear Mr. Maguire:

The Bureau of Industry and Security, United States Department of Commerce (BIS), has reason to believe that Rohm and Haas Japan K.K. (Rohm and Haas Japan)<sup>1</sup> violated the Export Administration Regulations (15 C.F.R. Parts 730-774 (2003)) (the Regulations),<sup>2</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the Act),<sup>3</sup> on 117 occasions. Specifically, BIS charges that Rohm and Haas Japan committed the following violations:

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<sup>1</sup> On July 1, 2000, Morton International, Ltd. was merged into Rohm and Haas Japan K.K.. As the surviving entity, Rohm and Haas Japan K.K. has assumed liability for all obligations of Morton International, Ltd.

<sup>2</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2003). The Regulations governing the violations at issue are found in the 1997 through 2000 versions of the Code of Federal Regulations. These Regulations are codified at 15 C.F.R. Parts 730-774 (1997-2000) and, to the degree to which they pertain to this matter, are substantially the same as the 2003 version.

<sup>3</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (IEEPA). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by Notice of August 7, 2003 (68 *Fed. Reg.* 47833 (August 11, 2003)), has continued the Regulations in effect under IEEPA.



**Charges 1-116 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Exports of Organo-inorganic Compounds Without the Required Licenses**

On 116 occasions, from on or about September 17, 1997 through on or about October 17, 2000, Rohm and Haas Japan reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from Japan to Taiwan without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations. In doing so, Rohm and Haas Japan committed 116 violations of Section 764.2(a) of the Regulations.

**Charge 117 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Export of Organo-inorganic Compounds Without the Required Licenses**

On or about March 4, 1999, Rohm and Haas Japan reexported organo-inorganic compounds (ECCN 3C003), an item subject to the Regulations, from Japan to India without obtaining a license from the Department of Commerce as required by Section 742.4 of the Regulations. In doing so, Rohm and Haas Japan committed one violation of Section 764.2(a) of the Regulations.

Each transaction is described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference.

BIS alleges that Rohm and Haas Japan committed 117 violations of Section 764.2(a) of the Regulations.

Accordingly, Rohm and Haas Japan is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law of up to \$120,000 per violation;<sup>4</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

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<sup>4</sup> Pursuant to the Federal Civil Penalties Adjustment Act of 1990 (28 U.S.C. §2461, note (2000)), and 15 C.F.R. §6.4(a) (2003), the maximum penalty for each violation committed after October 23, 1996 and before November 1, 2000 is \$11,000, except that the maximum penalty for each violation of a national security control occurring between and including November 13, 2000 and August 20, 2001 is \$120,000.

Rohm and Haas Japan K.K.  
Proposed Charging Letter  
Page 3 of 4

If Rohm and Haas Japan fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. (Regulations, Sections 766.6 and 766.7). If Rohm and Haas Japan defaults, the Administrative Law Judge may find the charges alleged in this letter are true without hearing or further notice to Rohm and Haas Japan. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

Rohm and Haas Japan is further notified that it is entitled to an agency hearing on the record if Rohm and Haas Japan files a written demand for one with its answer. (Regulations, Section 766.6). Rohm and Haas is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should you have a proposal to settle this case, you or your representative should transmit it to me through the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Rohm and Haas Japan's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

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

In addition, a copy of Rohm and Haas Japan's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Christine Lee  
Room H-3839  
United States Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Rohm and Haas Japan K.K.  
Proposed Charging Letter  
Page 4 of 4

Christine Lee is the attorney representing BIS in this case; any communications that you may wish to have concerning this matter should occur through her. Ms. Lee may be contacted by telephone at (202) 482-5301.

Sincerely,

Mark D. Menefee  
Director  
Office of Export Enforcement

Enclosure

**SCHEDULE A**

**AMENDED SCHEDULE OF VIOLATIONS  
EXPORTS BY  
ROHM & HAAS JAPAN K.K.**

<b>Charge No.</b>	<b>Export Date (on or about)</b>	<b>Commodity *</b>	<b>Air Waybill No. or Bill of Lading No.</b>	<b>Invoice No.</b>	<b>Destination</b>
1	9/17/97	TMAI	YHKL-10	7365T	TAIWAN
2	9/17/97	TMGa	YHKL-9	8054-55T	TAIWAN
3	10/06/97	TMGa, TMAI	YHKL-20	8061-64T	TAIWAN
4	10/06/97	TMAI, TMIn, TMGa, TMSb	YHKL-19	8040-44T	TAIWAN
5	10/29/97	TMGa	YHKL-12	8086T	TAIWAN
6	12/12/97	TMGa	YKE-15	8109-8111T	TAIWAN
7	12/26/97	TMGa	YKE-26	8110T	TAIWAN
8	12/26/97	TMIn	YKE-24	8087T	TAIWAN
9	1/27/98	TMGa, TMIn	YKE-25	8168-70T	TAIWAN
10	2/03/98	TMGa, TMAI	YHKL-40	8164-67T	TAIWAN
11	2/03/98	TMGa, TMIn	YHKL-41	8161-62T	TAIWAN
12	2/24/98	TMIn	YKE-16	8185-87T	TAIWAN

<b>Charge No.</b>	<b>Export Date (on or about)</b>	<b>Commodity *</b>	<b>Air Waybill No. or Bill of Lading No.</b>	<b>Invoice No.</b>	<b>Destination</b>
13	3/20/98	TEGa	YHKL-22	8202-03T	TAIWAN
14	3/20/98	TMGa	YHKL-21	8171-72T	TAIWAN
15	3/20/98	TMGa	YHKL-23	8219T	TAIWAN
16	4/02/98	TMIn	YHKL-21	8186T	TAIWAN
17	4/02/98	TMGa, TMAI	YHKL-22	8153-55T	TAIWAN
18	5/01/98	TMGa	YHKL-28	8173-74/8228	TAIWAN
19	5/19/98	TMGa	YHKL-13	8259-60T	TAIWAN
20	6/12/98	TMAI	YHKL-21	8292T	TAIWAN
21	6/20/98	TMGa, TMAI	YHKL-10	8262-63T	TAIWAN
22	7/10/98	TMGa, TMAI	YHKL-13	8175-76/8281-83/8290/8308T	TAIWAN
23	7/10/98	TMGa	YHKL-12	8309-10T	TAIWAN
24	8/04/98	TMAI	YHKL-13	8264T	TAIWAN
25	8/04/98	TMAI	YHKL-14	8303T	TAIWAN
26	8/31/98	TMGa	YHKL-16	8311/9029-30	TAIWAN

<b>Charge No.</b>	<b>Export Date (on or about)</b>	<b>Commodity *</b>	<b>Air Waybill No. or Bill of Lading No.</b>	<b>Invoice No.</b>	<b>Destination</b>
27	8/31/98	TMGa, TMIn	YHKL-15	9027-28T	TAIWAN
28	9/26/98	TMGa	YHKL-18	8284/85T	TAIWAN
29	10/14/98	TMGa	YHKL-20	8286-87/9067	TAIWAN
30	10/24/98	TMAI, TMGa	YHKL-12	9076-79T	TAIWAN
31	11/14/98	TMGa, TMAI, TMIn	YKL-104	9061-64T	TAIWAN
32	11/17/98	TMGa, TMAI, TMIn	YKL-107	9096-9100T	TAIWAN
33	11/30/98	TMAI, TMGa, TMIn	YHKL-11	9101-04T	TAIWAN
34	2/02/99	TMGa, TMIn, TMAI	YHKL-16	9152-56T	TAIWAN
35	2/02/99	TMGa	YHKL-17	9171-72T	TAIWAN
36	2/17/99	TMGa, TMIn, TMAI, TEAI	YHKL-7	9157-63T	TAIWAN

<b>Charge No.</b>	<b>Export Date (on or about)</b>	<b>Commodity *</b>	<b>Air Waybill No. or Bill of Lading No.</b>	<b>Invoice No.</b>	<b>Destination</b>
37	2/25/99	TMGa, TMAI	YHKL-9	9205-06T	TAIWAN
38	3/15/99	TMGa	YHKESA03 25	9173T	TAIWAN
39	3/15/99	TMGa, TEAI	YHKESA02 25	9165-66T	TAIWAN
40	3/25/99	TMIn	YHKESA08 1C	9164T	TAIWAN
41	4/16/99	TMGa, TMAI	YHKL-25	9221-25T	TAIWAN
42	4/16/99	TMGa	YHKL-22	9227-29T	TAIWAN
43	4/16/99	TMGa	YHKL-20	9174-76T	TAIWAN
44	4/27/99	TMGa, TMAI, TMIn	YKL-111	9262-68T/75T	TAIWAN
45	5/17/99	TMAI, TMIn, TMGa	YKL-103	9230-33T	TAIWAN
46	5/17/99	DEAIEO	YKL-104	9226T	TAIWAN
47	5/17/99	TMGa	YKL-102	9269T/84T	TAIWAN
48	5/17/99	TMGa, TMAI	YKL-105	9295-96T	TAIWAN
49	5/28/99	TMGa	YKL-104	9311T	TAIWAN

<b>Charge No.</b>	<b>Export Date (on or about)</b>	<b>Commodity *</b>	<b>Air Waybill No. or Bill of Lading No.</b>	<b>Invoice No.</b>	<b>Destination</b>
50	6/16/99	TMGa, TMIn	YKL-104	9318-20T	TAIWAN
51	6/19/99	TMIn	YKL-105	9334T	TAIWAN
52	6/29/99	TMGa	YKL-110	9177T	TAIWAN
53	7/07/99	TMGa	YKL-103	9337-39T	TAIWAN
54	7/15/99	TMGa	YKL-117	9357/0001-02T	TAIWAN
55	7/27/99	TMGa	YKL-101	9234-37T	TAIWAN
56	8/11/99	TMIn	YKL-113	0013T	TAIWAN
57	8/11/99	TMIn	YKL-112	9340T	TAIWAN
58	8/30/99	TMGa, TMAI	YKL-105	0032-33T	TAIWAN
59	9/5/99	TMGa	YKL-101	9180-82T	TAIWAN
60	9/28/99	TMGa	YKL-104	0020-22T	TAIWAN
61	9/28/99	TMGa, TMAI, TMIn	YKL-101	0036-40T	TAIWAN
62	9/28/99	TMGa	YKL-102	0054T	TAIWAN
63	10/06/99	TMGa	YKL-102	9238-41T	TAIWAN

<b>Charge No.</b>	<b>Export Date (on or about)</b>	<b>Commodity *</b>	<b>Air Waybill No. or Bill of Lading No.</b>	<b>Invoice No.</b>	<b>Destination</b>
64	10/06/99	TMAI	YKL-101	0053T	TAIWAN
65	10/28/99	TMGa, TMAI	YKL-107	0093-95T	TAIWAN
66	10/28/99	TMGa	YKL-108	9183-85T	TAIWAN
67	11/26/99	DEAIEO	YKL-103	0021T	TAIWAN
68	11/26/99	TMGa, TMAI	YKL-109	0073-77T	TAIWAN
69	11/26/99	TMIn, TMGa	YKL-105	0107-08T	TAIWAN
70	11/26/99	TMAI, TMIn	YKL-107	0109-10/0131T	TAIWAN
71	11/26/99	DEAIEO	YKL-104	0021T-2	TAIWAN
72	11/26/99	TMGa, TMIn, TMAI	YKL-108	0103-05T	TAIWAN
73	11/26/99	TEGa	YKL-106	0121T	TAIWAN
74	12/21/99	TMGa	YKL-105	0122T	TAIWAN
75	12/21/99	TMGa, TMAI, TMIn	YKL-102	0123-30T	TAIWAN

<b>Charge No.</b>	<b>Export Date (on or about)</b>	<b>Commodity *</b>	<b>Air Waybill No. or Bill of Lading No.</b>	<b>Invoice No.</b>	<b>Destination</b>
76	12/21/99	TMGa, TMAI, TMIn	YKL-103	0150-52/55T	TAIWAN
77	1/26/00	TMIn, TMAI	YHKL-8	0171-72T	TAIWAN
78	1/26/00	TMGa, TMAI, TMIn	YHKL-6	0173-77T	TAIWAN
79	2/15/00	TMGa, TMIn	YKL-103	0138-39T	TAIWAN
80	2/15/00	TMSb	YKL-105	0153-54/64T	TAIWAN
81	2/15/00	TMGa, TMAI	YKL-104	0201-03T	TAIWAN
82	3/23/00	TMGa	YHKL-16	0240-43T	TAIWAN
83	3/27/00	TMGa	YHKL-4	0239/44T	TAIWAN
84	3/22/00	TMGa	YHKL-5	0253T	TAIWAN
85	3/24/00	TMGa, TMIn	YHKL-3	0252/0267T	TAIWAN
86	4/14/00	TMGa, TMAI	YHKL-7	0254-55T	TAIWAN
87	4/14/00	TEGa	YHKL-6	0194-95T	TAIWAN
88	4/14/00	TMAI	YHKL-5	0232T	TAIWAN

<b>Charge No.</b>	<b>Export Date (on or about)</b>	<b>Commodity *</b>	<b>Air Waybill No. or Bill of Lading No.</b>	<b>Invoice No.</b>	<b>Destination</b>
<b>89</b>	4/26/00	TMAI, TMGa	YHKL-21	0287-88T	TAIWAN
<b>90</b>	5/15/00	TMGa	YHKL-18	0238T	TAIWAN
<b>91</b>	5/15/00	DEAIEO	YHKL-17	0259T	TAIWAN
<b>92</b>	5/15/00	TMGa	YHKL-19	0275T	TAIWAN
<b>93</b>	5/15/00	TMGa	YHKL-20	0289-90T	TAIWAN
<b>94</b>	5/15/00	TEGa	YHKL-16	0295T	TAIWAN
<b>95</b>	5/31/00	TMGa	YKL-103	0303-04T	TAIWAN
<b>96</b>	5/31/00	TMGa, TMIn	YKL-105	0319-22T	TAIWAN
<b>97</b>	5/31/00	TMGa, TMIn	YKL-104	0141-42T	TAIWAN
<b>98</b>	7/04/00	TMGa	YHKL-16	0290T	TAIWAN
<b>99</b>	8/01/00	TMGa, TMIn	YKL-104	0143/45T	TAIWAN
<b>100</b>	8/01/00	TMAI	YKL-107	0326T	TAIWAN
<b>101</b>	8/01/00	TMGa, TMIn, TMAI, TEGa	YKL-109	0361-66T	TAIWAN
<b>102</b>	8/01/00	TMGa, TMIn	YKL-106	0333-34T	TAIWAN

<b>Charge No.</b>	<b>Export Date (on or about)</b>	<b>Commodity *</b>	<b>Air Waybill No. or Bill of Lading No.</b>	<b>Invoice No.</b>	<b>Destination</b>
<b>103</b>	8/01/00	TMGa	YKL-108	0344-47/99T	TAIWAN
<b>104</b>	8/01/00	TMIn, TEGa, TMGa, TEAl	YKL-105	0392-96T	TAIWAN
<b>105</b>	8/18/00	TMAI, TMGa, TMIn	YKL-113	0412-14T	TAIWAN
<b>106</b>	8/18/00	TMGa	YKL-112	0140/44T	TAIWAN
<b>107</b>	9/04/00	TMAI, TMGa	YKL-106	0246/439-40T	TAIWAN
<b>108</b>	9/21/00	TEGa	YHKL-25	0452-54T	TAIWAN
<b>109</b>	9/21/00	TMGa	YHKL-24	0146-47T	TAIWAN
<b>110</b>	9/21/00	TMGa, TMIn, TMAI	YHKL-28	0329-32T	TAIWAN
<b>111</b>	9/21/00	TMAI	YHKL-26	0430T	TAIWAN
<b>112</b>	9/21/00	TMGa	YHKL-27	0446-49T	TAIWAN
<b>113</b>	10/02/00	TMAI, TMGa, TEGa	YKL-103	0484-87T	TAIWAN
<b>114</b>	10/02/00	TMIn	YKL-102	0354T	TAIWAN

Charge No.	Export Date (on or about)	Commodity *	Air Waybill No. or Bill of Lading No.	Invoice No.	Destination
115	10/02/00	TEGa, TMAI	YKL-101	0373-74T	TAIWAN
116	10/17/00	TMGa, TMIn	YKL-107	0503-09T	TAIWAN
117	3/04/99	TMIn	4	9128I	INDIA

\* **KEY:**      TMGa - Trimethylgallium              TEGa - Triethylgallium              TMAI - Trimethylaluminum  
                  TEAl - Triethylaluminum              TMIn - Trimethylindium              TMAs - Trimethylarsenic  
                  TMSb - Trimethylantimony              DEAlEO - Diethylaluminumethoxide

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY  
WASHINGTON, D.C. 20230

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In the Matters of: )  
)  
Morton International, Inc. )  
123 North Wacker Drive )  
Chicago, Illinois 60606-1743 )  
)  
Morton International, S.A.S. )  
Le Pressoir Vert )  
45400 Semoy )  
France )  
)  
Rohm and Haas Japan, K.K. )  
The Vanguard Motoazabu )  
4-26 Motoazabu 3-Chome )  
Minato-ku, Tokyo 106 )  
Japan )  
)  
)  
Respondents. )  
)

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SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Morton International, Inc. (“Morton International”), Morton International, S.A.S. (“Morton France”), and Rohm and Haas Japan K.K. (“Rohm and Haas Japan”) (collectively referred to as “Respondents”), and the Bureau of Industry and Security, United States Department of Commerce (“BIS”) (collectively referred to as “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations

(currently codified at 15 C.F.R. Parts 730-774 (2003)) (“Regulations”),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),<sup>2</sup>

WHEREAS, Morton International filed a voluntary self-disclosure with BIS’s Office of Export Enforcement in accordance with Section 764.5 of the Regulations concerning transactions relating to the exports and reexports of organo-inorganic compounds;

WHEREAS, BIS has notified Respondents of its intention to initiate administrative proceedings against Respondents, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued amended proposed charging letters to Respondents that alleged that Respondents committed a total of 149 violations of the Regulations, specifically:

Alleged Violations by Morton International

1. *One Violation of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Export of Thiodiglycol Without the Required License: On or about February 22, 1999,*

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2003). The violations charged occurred from 1997 to 2001. The Regulations governing the violations at issue are found in the 1997-2001 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1997-2001)). The Regulations define the violations that BIS alleges occurred and establish the procedures that apply to this matter.

<sup>2</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 7, 2003 (68 *Fed. Reg.* 47833, August 11, 2003), has continued the Regulations in effect under IEEPA. The Act and Regulations are available on the Government Printing Office website at: <http://w3.access.gpo.gov/bis/>.

Morton International exported thiodiglycol (ECCN 1C350),<sup>3</sup> an item subject to the Regulations, from the United States to Mexico without obtaining a license from the Department of Commerce as required by Section 742.2 of the Regulations.

2. *Two Violations of 15 C.F.R. § 764.2(c) - Attempt - Attempted Exports of Thiodiglycol Without the Required Licenses:* On two occasions, on or about March 10, 1999, and on or about March 18, 1999, Morton International attempted to export thiodiglycol (ECCN 1C350), an item subject to the Regulations, from the United States to Mexico without obtaining licenses from the Department of Commerce as required by Section 742.2 of the Regulations.
3. *One Violation of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Export of Organo-inorganic Compounds Without the Required License:* On or about July 14, 2000, Morton International exported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from the United States to Singapore without obtaining a license from the Department of Commerce as required by Section 742.4 of the Regulations.
4. *Nine Violations of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Exports of Organo-inorganic Compounds Without the Required Licenses:* On nine occasions, from on or about May 9, 2000, through on or about May 9, 2001, Morton International exported organo-inorganic compounds (ECCN 3C003),

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<sup>3</sup> The term “ECCN” refers to an Export Control Classification Number. See Supp. 1 to 15 C.F.R. § 774.

items subject to the Regulations, from the United States to Taiwan without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations.

Alleged Violations by Morton France

1. *12 Violations of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Reexports of Organo-inorganic Compounds Without the Required Licenses:* On 12 occasions, from on or about December 18, 1997, through on or about September 29, 2000, Morton France reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from France to Israel without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations.
2. *Six Violations of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Reexports of Organo-inorganic Compounds Without the Required Licenses:* On six occasions, from on or about October 31, 1997, through on or about September 18, 2000, Morton France reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from France to Poland without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations.
3. *One Violation of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Reexport of Organo-inorganic Compounds Without the Required License:* On or

about September 30, 1999, Morton France reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from France to Tunisia without obtaining a license from the Department of Commerce as required by Section 742.4 of the Regulations.

Alleged Violations by Rohm and Haas Japan

1. *116 Violations of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Reexports of Organo-inorganic Compounds Without the Required Licenses: On 116 occasions, from on or about September 17, 1997, through on or about October 17, 2000, Rohm and Haas Japan reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from Japan to Taiwan without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations.*
2. *One Violation of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Reexport of Organo-inorganic Compounds Without the Required License: On or about March 4, 1999, Rohm and Haas Japan reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from Japan to India without obtaining a license from the Department of Commerce as required by Section 742.4 of the Regulations.*

WHEREAS, Respondents have reviewed the amended proposed charging letters and are aware of the allegations made against each of them and the administrative sanctions which could be imposed against each of them if the allegations are found to be true;

WHEREAS, Respondents fully understand the terms of this Agreement and the Order (“Order”) that the Assistant Secretary of Commerce for Export Enforcement will issue if she approves this Agreement as the final resolution of these matters;

WHEREAS, Respondents enter into this Agreement voluntarily and with full knowledge of their rights;

WHEREAS, Respondents state that no promises or representations have been made to them other than the agreements and considerations herein expressed;

WHEREAS, Respondents neither admit nor deny the allegations contained in the amended proposed charging letters;

WHEREAS, Respondents wish to settle and dispose of all matters alleged in the amended proposed charging letters by entering into this Agreement; and

WHEREAS, Respondents agree to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Respondents under the Regulations in connection with the matters alleged in the amended proposed charging letters.
2. The following sanctions shall be imposed against Respondents in complete settlement of any violations of the Regulations related to transactions voluntarily disclosed or otherwise set forth in the amended proposed charging letters:
  - a. Respondents shall each be assessed a civil penalty, as set forth below, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order.

- (1) Morton International shall be assessed a civil penalty of \$239,500.
  - (2) Morton France shall be assessed a civil penalty of \$57,000.
  - (3) Rohm and Haas Japan shall be assessed a civil penalty of \$351,000.
- b. The timely payment of the civil penalty for a Respondent agreed to in paragraph 2.a. 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 such Respondent. Failure to make timely payment of the civil penalty set forth above for a Respondent shall result in the denial of all of such Respondent's export privileges for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Respondents hereby waive all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in the amended proposed charging letters; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; (c) request any relief from the Order, if entered, including without limitation relief from the terms of a denial order under 15 C.F.R. § 764.3(a)(2); and (d) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order and timely payment of the civil penalties set forth for a Respondent in paragraph 2.a. above, BIS will not initiate any further administrative proceeding against such Respondent in connection with any violation of the Act or the Regulations related to

transactions voluntarily disclosed or otherwise set forth in the amended proposed charging letters.

5. BIS will make the amended proposed charging letters, this Agreement, and the Order, if entered, available to the public.

6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

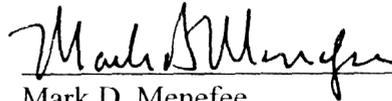
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on BIS only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

Settlement Agreement  
Morton International, Inc.  
Morton International, S.A.S.  
Rohm and Haas Japan K.K.  
Page 9 of 9

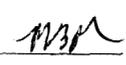
BUREAU OF INDUSTRY AND SECURITY  
U.S. DEPARTMENT OF COMMERCE

  
\_\_\_\_\_  
Mark D. Menefee  
Director  
Office of Export Enforcement

Date: 2/20/04

MORTON INTERNATIONAL, INC.  
MORTON INTERNATIONAL, S.A.S.  
ROHM AND HAAS JAPAN K.K.

  
\_\_\_\_\_  
Stephen J. Robinson  
Vice President  
Rohm and Haas Company

Date: 2/2/04 

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY  
WASHINGTON, D.C. 20230

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In the Matters of: )  
)  
Morton International, Inc. )  
123 North Wacker Drive )  
Chicago, Illinois 60606-1743 )  
)  
Morton International, S.A.S. )  
Le Pressoir Vert )  
45400 Semoy )  
France )  
)  
Rohm and Haas Japan, K.K. )  
The Vanguard Motoazabu )  
4-26 Motoazabu 3-Chome )  
Minato-ku, Tokyo 106 )  
Japan )  
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)  
Respondents. )  
)

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ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) having notified Morton International, Inc. (“Morton International”), Morton International, S.A.S. (“Morton France”), and Rohm and Haas Japan K.K. (“Rohm and Haas Japan”) (collectively referred to as “Respondents”), of its intention to initiate administrative proceedings against Respondents pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2003)) (“Regulations”),<sup>1</sup> and Section 13(c) of the Export

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2003). The violations charged occurred from 1997 to 2001. The Regulations governing the violations at issue are found in the 1997-2001 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1997-2001)). The Regulations define the violations that BIS alleges occurred and establish the procedures that apply to this matter.

Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),<sup>2</sup> based on the amended proposed charging letters issued to Respondents that alleged that Respondents committed a total of 149 violations of the Regulations. Specifically, the charges are:

Alleged Violations by Morton International

1. *One Violation of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Export of Thiodiglycol Without the Required License:* On or about February 22, 1999, Morton International exported thiodiglycol (ECCN 1C350),<sup>3</sup> an item subject to the Regulations, from the United States to Mexico without obtaining a license from the Department of Commerce as required by Section 742.2 of the Regulations.
2. *Two Violations of 15 C.F.R. § 764.2(c) - Attempt - Attempted Exports of Thiodiglycol Without the Required Licenses:* On two occasions, on or about March 10, 1999, and on or about March 18, 1999, Morton International attempted to export thiodiglycol (ECCN 1C350), an item subject to the Regulations, from

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<sup>2</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 7, 2003 (68 *Fed. Reg.* 47833, August 11, 2003), has continued the Regulations in effect under IEEPA. The Act and Regulations are available on the Government Printing Office website at: <http://w3.access.gpo.gov/bis/>.

<sup>3</sup> The term “ECCN” refers to an Export Control Classification Number. *See* Supp. 1 to 15 C.F.R. § 774.

the United States to Mexico without obtaining licenses from the Department of Commerce as required by Section 742.2 of the Regulations.

3. *One Violation of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Export of Organo-inorganic Compounds Without the Required License:* On or about July 14, 2000, Morton International exported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from the United States to Singapore without obtaining a license from the Department of Commerce as required by Section 742.4 of the Regulations.
4. *Nine Violations of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Exports of Organo-inorganic Compounds Without the Required Licenses:* On nine occasions, from on or about May 9, 2000, through on or about May 9, 2001, Morton International exported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from the United States to Taiwan without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations.

Alleged Violations by Morton France

1. *12 Violations of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Reexports of Organo-inorganic Compounds Without the Required Licenses:* On 12 occasions, from on or about December 18, 1997, through on or about September 29, 2000, Morton France reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from France to Israel without

obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations.

2. *Six Violations of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Reexports of Organo-inorganic Compounds Without the Required Licenses:* On six occasions, from on or about October 31, 1997, through on or about September 18, 2000, Morton France reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from France to Poland without obtaining licenses from the Department of Commerce as required by Section 742.4 of the Regulations.
3. *One Violation of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Reexport of Organo-inorganic Compounds Without the Required License:* On or about September 30, 1999, Morton France reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from France to Tunisia without obtaining a license from the Department of Commerce as required by Section 742.4 of the Regulations.

Alleged Violations by Rohm and Haas Japan

1. *116 Violations of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Reexports of Organo-inorganic Compounds Without the Required Licenses:* On 116 occasions, from on or about September 17, 1997, through on or about October 17, 2000, Rohm and Haas Japan reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from Japan to Taiwan without obtaining

licenses from the Department of Commerce as required by Section 742.4 of the Regulations.

2. *One Violation of 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct - Reexport of Organo-inorganic Compounds Without the Required License:* On or about March 4, 1999, Rohm and Haas Japan reexported organo-inorganic compounds (ECCN 3C003), items subject to the Regulations, from Japan to India without obtaining a license from the Department of Commerce as required by Section 742.4 of the Regulations.

BIS and Respondents having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$239,500 is assessed against Morton International; a civil penalty of \$57,000 is assessed against Morton France; and a civil penalty of \$351,000 is assessed against Rohm and Haas Japan, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalties owed under this Order accrue interest as more fully described in the attached Notice, and, if payment of the civil penalty assessed against a Respondent is not made by the due date specified herein, such Respondent will be assessed, in

addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above for a Respondent is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to such Respondent. Accordingly, if a Respondent should fail to pay the civil penalty assessed against it in a timely manner, the undersigned may enter an Order denying all of such Respondent's export privileges for a period of one year from the date of entry of this Order.

FOURTH, that the amended proposed charging letters, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.

  
Julie L. Myers  
Assistant Secretary of Commerce  
for Export Enforcement

Entered this 24<sup>th</sup> day of February 2004.