



E594 - 1

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

REGISTERED MAIL - RETURN RECEIPT REQUESTED

N.V. Advanced Technology Company
Lippenslaan 297 B 6
8300 Knokke-Heist,
Belgium

Attention: Thomas De Geetere
General Manager and Director

Dear Mr. De Geetere:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (hereinafter "BXA"), hereby charges that, as described in detail below, N.V. Advanced Technology Company (hereinafter "Advanced Technology") has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1997)) (hereinafter the "Regulations"),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1997)) (hereinafter the "Act").²

Facts constituting violations:

CHARGES 1-2

On two separate occasions, on or about November 3, 1992 and on or about November 28, 1992, Advanced Technology reexported U.S.-origin electronic equipment from Belgium to Russia without obtaining from BXA the reexport authorization required by Section 774.1(a) of the former Regulations. BXA alleges that, by reexporting commodities to any person or destination or for any use in violation of or contrary to the Act, or any regulation,

¹ The alleged violations occurred in 1992. The Regulations governing the violations at issue are found in the 1992 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1992)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations, codified at 15 C.F.R. Parts 730-774, establish the procedures that apply to the matters set forth in this charging letter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., Comp. 298 (1997)), and August 13, 1997 (62 Fed. Reg. 43629, August 15, 1997), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1997)) (hereinafter "IEEPA").



order, or license issued thereunder, Advanced Technology committed two violations of Section 787.6 of the former Regulations, each of which involves commodities controlled under Section 5 of the Act for reasons of national security.

Accordingly, Advanced Technology 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 of \$10,000 per violation (see Section 764.3(a)(1) of the Regulations);³

Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or

Exclusion from practice (see Section 764.3(a)(3) of the Regulations).

Copies of relevant Parts of the Regulations are enclosed.

If Advanced Technology fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter as provided in Section 766.6 of the Regulations, that failure will be treated as a default under Section 766.7.

Advanced Technology is further notified that it is entitled to an agency hearing on the record as provided by Section 13(c) of the Act and Section 766.6 of the Regulations, if a written demand for one is filed with its answer, to be represented by counsel, and to seek a settlement.

Pursuant to an Interagency Agreement between BXA and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Accordingly, Advanced Technology's answer should be filed with the U.S. Coast Guard ALJ Docketing Center, 40 S. Gay Street, Baltimore, Maryland 21202-4022, in accordance with the instructions in Section 766.5(a) of the Regulations. In

³ Between October 1, 1990 and March 27, 1993, the former Regulations were continued in effect by Executive Order 12730 of September 30, 1990 (3 C.F.R., 1990 Comp. 305 (1991)), issued pursuant to IEEPA. The maximum civil penalty allowed by law for violations that occur during periods when the Regulations are continued in effect by an Executive Order issued pursuant to IEEPA is \$10,000 per violation.

addition, a copy of Advanced Technology's answer should be served on BXA at the address set forth in Section 766.5(b), adding "ATTENTION: Lairoid M. Street, Esq." below the address. Mr. Street may be contacted by telephone at (202) 482-5311.

Sincerely,

Mark D. Menefee
Acting Director
Office of Export Enforcement

Enclosure

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
N.V. ADVANCED TECHNOLOGY COMPANY)
Lippenslaan 297 B 6)
8300 Knokke-Heist,)
Belgium,)
)
Respondent)

SETTLEMENT AGREEMENT

This Agreement is made by and between N.V. Advanced Technology Company (hereinafter "Advanced Technology") and the Bureau of Export Administration, United States Department of Commerce (hereinafter "BXA"), pursuant to Section 766.18(b) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1997)) (hereinafter the "Regulations"),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1997)) (hereinafter the "Act").²

¹ The alleged violations occurred in 1992. The Regulations governing the violations at issue are found in the 1992 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1992)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to the matters set forth in this Settlement Agreement.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), and August 13, 1997 (62 Fed. Reg. 43629, August 15, 1997), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1997)).

Whereas, the Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce, has initiated an administrative proceeding against Advanced Technology pursuant to the Act and the Regulations, based on allegations that, on two separate occasions, on or about November 3, 1992 and on or about November 28, 1992, Advanced Technology reexported U.S.-origin electronic equipment from Belgium to Russia without obtaining from BXA the reexport authorization required by Section 774.1(a) of the former Regulations, in violation of Section 787.6 of the former Regulations;

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

Whereas, Advanced Technology neither admits nor denies the allegations contained in the Charging Letter;

Whereas, Advanced Technology wishes to settle and dispose of all matters alleged in the Charging Letter by entering into this Settlement Agreement; and

Whereas, Advanced Technology agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered (appropriate Order);

Now Therefore, Advanced Technology and BXA agree as follows:

1. BXA has jurisdiction over Advanced Technology, under the Act and the Regulations, in connection with the matters alleged in the Charging Letter.

2. BXA and Advanced Technology agree that the following sanction shall be imposed against Advanced Technology in complete settlement of all alleged violations of the Act and former Regulations arising out of the transactions set forth in the Charging Letter:

(a) Advanced Technology shall be assessed a civil penalty of \$10,000, which shall be paid within 30 days of the date of entry of an appropriate Order.

(b) As authorized by Section 11(d) of the Act, the timely payment of the civil penalty 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 Advanced Technology. Failure to make timely payment of the civil penalty shall result in the denial of all of Advanced Technology's export privileges for a period of one year from the date of entry of the appropriate Order imposing the civil penalty.

3. Advanced Technology agrees that, subject to the approval of this Settlement Agreement pursuant to paragraph 8 hereof, it hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Settlement Agreement or the appropriate Order, when entered), including, without limitation, any right: (a) to an administrative hearing regarding the allegations in the Charging Letter; (b) to request a refund of the civil penalty imposed pursuant to this Settlement Agreement and the appropriate Order, when entered; and (c) to seek judicial review or otherwise to contest the validity of this Settlement Agreement or the appropriate Order, when entered.

4. BXA agrees that, upon entry of an appropriate Order, it will not initiate any administrative proceeding against Advanced Technology in connection with any violation of the Act or the Regulations arising out of the transactions identified in the Charging Letter.

5. Advanced Technology understands that BXA will make the Charging Letter, this Settlement Agreement, and the appropriate Order, when entered, available to the public.

6. BXA and Advanced Technology agree that this Settlement Agreement is for settlement purposes only. Therefore, if this Settlement Agreement is not accepted and an appropriate Order is not issued by the Assistant Secretary for Export Enforcement pursuant to Section 766.18(b) of the Regulations, BXA and Advanced Technology agree that they may not use this Settlement

Agreement in any administrative or judicial proceeding and that neither party shall be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.

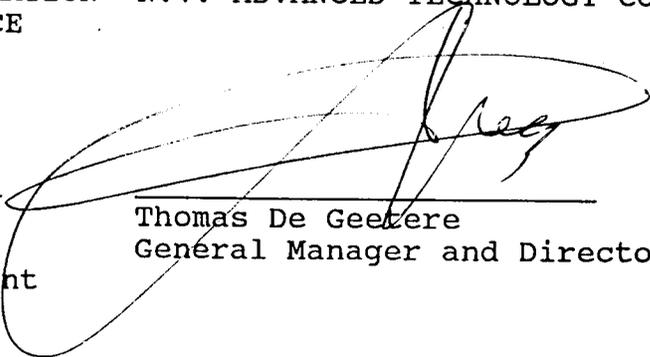
7. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate Order, when entered, nor shall this Settlement Agreement serve to bind, constrain, or otherwise 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 Settlement Agreement shall become binding on BXA only when the Assistant Secretary for Export Enforcement approves it by entering an appropriate Order, which will have the same force and effect as a decision and Order issued after a full administrative hearing on the record.

BUREAU OF EXPORT ADMINISTRATION N.V. ADVANCED TECHNOLOGY COMPANY
U.S. DEPARTMENT OF COMMERCE



Mark D. Menefee
Acting Director
Office of Export Enforcement



Thomas De Geere
General Manager and Director

Date: April 27, 1998

Date: 14/4/98

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
N.V. ADVANCED TECHNOLOGY COMPANY)
Lippenslaan 297 B 6)
8300 Knokke-Heist,)
Belgium,)
)
Respondent)

ORDER

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (hereinafter "BXA"), having initiated an administrative proceeding against N.V. Advanced Technology Company (hereinafter "Advanced Technology") pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1997)) (hereinafter the "Act"),¹ and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1997)) (hereinafter the "Regulations"),²

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), and August 13, 1997 (62 Fed. Reg. 43629, August 15, 1997), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1997)).

² The alleged violations occurred in 1992. The Regulations governing the violations at issue are found in the 1992 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1992)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to the matters set forth in this Order.

based on allegations that, on two separate occasions, on or about November 3, 1992 and on or about November 28, 1992, Advanced Technology reexported U.S.-origin electronic equipment from Belgium to Russia without obtaining from BXA the reexport authorization required by Section 774.1(a) of the former Regulations, in violation of Section 787.6 of the former Regulations;

BXA and Advanced Technology having entered into a Settlement Agreement pursuant to Section 766.18(b) of the Regulations whereby they have 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 \$10,000 is assessed against Advanced Technology, which shall be paid to BXA within 30 days of the date of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 1997)), 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, Advanced Technology will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that, as authorized by Section 11(d) of the Act, the

timely payment of the civil penalty set forth above 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 Advanced Technology. Accordingly, if Advanced Technology should fail to pay in a timely manner the civil penalty set forth above, the undersigned will enter an Order under the authority of Section 11(d) of the Act denying all of Advanced Technology's export privileges for a period of one year from the date of this Order.

FOURTH, that the Charging Letter, 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.



F/ Amanda DeBusk
Assistant Secretary
for Export Enforcement

Entered this 20th day of August, 1998.

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

BUREAU OF
EXPORT
ADMINISTRATION

FOR IMMEDIATE RELEASE:
August 20, 1998
www.bxa.doc.gov

CONTACTS: Eugene Cottilli
Susan Hofer
(202) 482-2721

**BELGIAN TECHNOLOGY COMPANY SETTLES
CHARGES OF ILLEGAL REEXPORTS**

WASHINGTON -- The U.S. Department of Commerce today imposed a \$10,000 civil penalty on N.V. Advanced Technology Company of Knokke-Heist, Belgium for allegedly reexporting U.S.-origin equipment from Belgium to Russia without the required Commerce Department reexport authorization, F. Amanda DeBusk, assistant secretary for Export Enforcement, announced.

The Department alleged that on two separate occasions in November, 1992, N.V. Advanced Technology Company reexported U.S.-origin electronic equipment without obtaining reexport authorization from the Commerce Department. Commerce's Office of Export Enforcement Boston Field Office investigated the case.

The Department of Commerce, through its Bureau of Export Administration, administers and enforces export controls for reasons of national security, foreign policy, nonproliferation and short supply. Criminal penalties, as well as administrative sanctions, can be imposed for violations of the Regulations.