

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

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In the Matter of: )  
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 WILLIAM F. MCNEIL )  
 #5 Woodland Road )  
 Pittsfield, Massachusetts 01201 )  
 )  
 and )  
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 AMERICAN PROTECTION CORPORATION )  
 #5 Woodland Road )  
 Pittsfield, Massachusetts 01201 )  
 )  
 and with a mailing address at )  
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 P.O. Box 4227 )  
 Pittsfield, Massachusetts 01202-4227 )  
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ORDER DENYING PERMISSION TO RELATED PERSONS  
TO APPLY FOR OR USE EXPORT LICENSES

On November 3, 1997, the Director, Office of Exporter Services, Bureau of Export Administration, U.S. Department of Commerce, issued an Order denying William F. McNeil's (McNeil) export privileges until August 8, 2001 (62 Fed. Reg. 61269, November 17, 1997). The Order was based on McNeil's August 8, 1996 conviction for violating the International Emergency Economic Powers Act (currently codified at 50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1998)) (IEEPA), and was issued pursuant to Section 11(h) of the Export Administration Act of 1979, as amended (currently codified at 50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1998)) (the Act),<sup>1</sup> and Sections 766.25 and 750.8(a) of the Export Administration Regulations

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<sup>1</sup> 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

(15 C.F.R. Parts 730-774 (1998)) (the Regulations). Section 11(h)(2) of the Act provides that any person related, through affiliation, ownership, control, or position of responsibility, to a person who has been denied export privileges as a result of a conviction for violating IEEPA, may, at the discretion of the Secretary of Commerce,<sup>2</sup> be denied export privileges as well.

On March 31, 1998, American Protection Corporation was notified, pursuant to Section 766.23 of the Regulations, that the Bureau of Export Administration, U.S. Department of Commerce, has reason to believe that it is related to William McNeil through ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business, and that the order issued against McNeil should, in order to prevent evasion, also be made applicable to American Protection Corporation.

American Protection Corporation responded to BXA's notice on April 6, 1998 by letter signed by McNeil. McNeil stated in the letter that he is the sole owner and only permanent employee of American Protection Corporation. McNeil also stated that American Protection Corporation has not exported any goods since the denial order against him was issued on November 3, 1997, and that it will not export any goods until the denial order is lifted. This unsupported statement by McNeil is not sufficient, however, to ensure that American Protection Corporation will not be used to evade the order denying McNeil's export privileges. McNeil still is sole owner of American Protection Corporation, and absent a related person order, he could

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(1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)) and August 13, 1998 (63 Fed. Reg. 44121, August 17, 1998), continued the Export Administration Regulations in effect under IEEPA.

<sup>2</sup> Pursuant to appropriate delegations of authority, the Director, Office of Exporter Services, in consultation with the Director, Office of Export Enforcement, exercises the authority granted to the Secretary by Section 11(h) of the Act.

easily use American Protection Corporation to export to his benefit, thereby evading the terms of the order against him.

Therefore, I hereby find that American Protection Corporation is related to William F. McNeil, a person denied all U.S. export privileges until August 8, 2001, through ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business, and that, in order to prevent evasion, the denial order against McNeil issued on November 3, 1997, should also be made applicable to American Protection Corporation.

Accordingly, the Order of November 3, 1997, denying McNeil permission to apply for or use any export license, including any License Exception, is hereby amended to read as follows:

IT IS ORDERED:

I. Until August 8, 2001, William F. McNeil, #5 Woodland Road, Pittsfield, Massachusetts 01201, and American Protection Corporation, #5 Woodland Road, Pittsfield, Massachusetts 01201, and with a mailing address at P.O. Box 4227, Pittsfield, Massachusetts 01202-4227, may not, directly or indirectly, participate in any way, in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States, that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, License Exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise

servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or

- C. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.
- II. No person may, directly or indirectly, do any of the following:
- A. Export or reexport to or on behalf of the denied persons any item subject to the Regulations;
  - B. Take any action that facilitates the acquisition or attempted acquisition by the denied persons of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the denied persons acquire or attempt to acquire such ownership, possession or control;
  - C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the denied persons of any item subject to the Regulations that has been exported from the United States;
  - D. Obtain from the denied persons in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
  - E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and that is owned, possessed or

controlled by the denied persons, or service any item, of whatever origin, that is owned, possessed or controlled by the denied persons if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

III. After notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to McNeil or to American Protection Corporation by affiliation, ownership, control or position of responsibility in the conduct of trade or related services may also be subject to the provisions of this Order.

IV. This Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

V. This Order is effective immediately and shall remain in effect until August 8, 2001.

VI. A copy of this Order shall be delivered to McNeil and to American Protection Corporation. This Order shall be published in the Federal Register.

Date: 4/27/99



Eileen M. Albanese  
Director  
Office of Exporter Services