



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mahmood Reza Hashemi
193 Route 46
Budd Lake, New Jersey 07828

Dear Mr. Hashemi:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described below, Mahmood Reza Hashemi (hereinafter referred to as Hashemi), has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2000)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2000)) (the Act).²

¹ The Regulations governing the violations at issue are found in the 1998 version of the Code of Federal Regulations. Those Regulations are codified at 15 C.F.R. Parts 730-774 (1998) and, to the degree to which they pertain to this matter, are substantially the same as the 2000 version.

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



Facts constituting violations:

Charges 1-2

On or about May 5, 1998 and on or about August 10, 1998, Hashemi attempted to export U.S.-origin Gastesters from the United States through Germany to Iran, without obtaining the authorization required by Section 746.7 of the Regulations. BXA alleges that, by engaging in conduct prohibited by or contrary to the Regulations, Hashemi committed two violations of Section 764.2(a) of the Regulations.

Accordingly, Hashemi is hereby notified that an administrative proceeding is instituted against him 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 \$11,000 per violation (see Section 764.3(a)(1) of the Regulations and 15 C.F.R. § 6.4(a)(3) (2000));

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

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

Copies of relevant Parts of the Regulations are enclosed.

If Hashemi 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.

Hashemi is further notified that he 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 his answer, to be represented by counsel, and to seek a consent 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, Hashemi'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 addition, a copy of Hashemi's answer should be served on BXA at the address set forth in Section 766.5(b), adding "ATTENTION: Mi-Yong Kim, Esq." below the address. Ms. Kim may be contacted by telephone at (202) 482-5311.

Sincerely,

Mark D. Menefee
Director
Office of Export Enforcement

Enclosure

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

In the Matter of:)
)
MAHMOOD REZA HASHEMI)
193 Route 46)
Budd Lake, New Jersey 07828,)
)
Respondent)

SETTLEMENT AGREEMENT

This Agreement is made by and between Mahmood Reza Hashemi (Hashemi) and the Bureau of Export Administration, United States Department of Commerce, pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2000)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2000)) (the Act).²

WHEREAS, the Office of Export Enforcement, Bureau of Export Administration (BXA), has notified Hashemi of its intention to initiate an administrative proceeding against Hashemi pursuant to the Act and the Regulations, based on allegations that, on or about May 5, 1998 and on or about August 10, 1998, Refinery attempted to export U.S.-origin Gastesters

¹ The Regulations governing the violations at issue are found in the 1998 version of the Code of Federal Regulations. Those Regulations are codified at 15 C.F.R. Parts 730-774 (1998) and, to the degree to which they pertain to this matter, are substantially the same as the 2000 version.

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

from the United States through Germany to Iran without obtaining the authorization required by Section 746.7 of the Regulations, in violation of Section 764.2(a) of the Regulations;

WHEREAS, Hashemi has reviewed the proposed Charging Letter and is aware of the allegations made against him and the administrative sanctions which could be imposed against him if the allegations are found to be true; Hashemi fully understands the terms of this Settlement Agreement and the Order; Hashemi enters into this Settlement Agreement voluntarily and with full knowledge of his rights, and Hashemi states that no promises or representations have been made to him other than the agreements and considerations herein expressed;

WHEREAS, Hashemi neither admits nor denies the allegations contained in the proposed Charging Letter;

WHEREAS, Hashemi wishes to settle and dispose of all matters alleged in the proposed Charging Letter by entering into this Settlement Agreement; and

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

NOW THEREFORE, Hashemi and BXA agree as follows:

1. BXA has jurisdiction over Hashemi, under the Act and the Regulations, in connection with the matters alleged in the proposed Charging Letter.
2. BXA and Hashemi agree that the following sanction shall be imposed against Hashemi in complete settlement of all alleged violations of the Act and the Regulations arising out of the transactions set forth in the proposed Charging Letter:

- (a) Hashemi and all of his successors and assigns, officers, representatives, agents and employees, may not, for a period of ten years from the date of the appropriate Order, participate, directly or indirectly, 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:
- i. Applying for, obtaining, or using any license, License Exception, or export control document;
 - ii. 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
 - iii. Benefitting 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.
- (b) BXA agrees that, as authorized by Section 766.18(c) of the Regulations, the last five years of the denial period set forth in paragraph in 2(a) shall be suspended for a period of five years beginning five years from the date of the entry of the appropriate Order and shall thereafter be waived, provided that during the

period of suspension, Hashemi has committed no violation of the Act or any regulation, order or license issued thereunder.

3. Hashemi agrees that, subject to the approval of this Settlement Agreement pursuant to paragraph 8 hereof, he 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: (a) to an administrative hearing regarding the allegations in the proposed Charging Letter; and (b) 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 Hashemi in connection with any violations of the Act or the Regulations arising out of the transactions identified in the proposed Charging Letter.

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

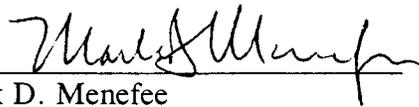
6. BXA and Hashemi agree that this Settlement Agreement is for settlement purposes only. Therefore, if this Settlement Agreement is not accepted and an appropriate Order is not issued by the Assistant Secretary for Export Enforcement pursuant to Section 766.18(a) of the Regulations, BXA and Hashemi agree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

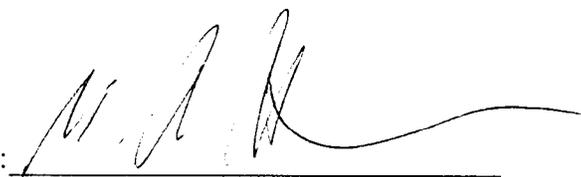
7. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate Order, when entered, nor shall this Settlement Agreement serve to bind, constrain, or otherwise 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
U.S. DEPARTMENT OF COMMERCE

MAHMOOD REZA HASHEMI

BY: 
Mark D. Menefee
Director
Office of Export Enforcement

BY: 
Mahmood Reza Hashemi

Date: 11/20/00

Date: 10/30/00

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

In the Matter of:)
)
MAHMOOD REZA HASHEMI)
193 Route 46)
Budd Lake, New Jersey 07828,)
)
Respondent)

ORDER

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), having notified Mahmood Reza Hashemi (Hashemi) of its intention to initiate an administrative proceeding against Hashemi pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991, Supp. 2000 and Pub. L. No. 106-508)) (the Act),¹ and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2000)) (the Regulations),² based on allegations that, on or about May 5, 1998 and on or about August 10, 1998, Hashemi attempted to export U.S.-origin Gastesters from the United States through Germany to Iran without obtaining the

¹ During the time of the Act's lapse (August 20, 1994 through November 12, 2000), the President, through Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which had been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 *Fed. Reg.* 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).

² The Regulations governing the violations at issue are found in the 1998 version of the Code of Federal Regulations. Those Regulations are codified at 15 C.F.R. Parts 730-774 (1998) and, to the degree to which they pertain to this matter, are substantially the same as the 2000 version.

authorization required by Section 746.7 of the Regulations, in violation of Section 764.2(a) of the Regulations; and

BXA and Hashemi 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, Mahmood Reza Hashemi, 193 Route 46, Budd Lake, New Jersey, and all of his successors and assigns, officers, representatives, agents and employees, may not, for a period of 10 years from the date of this Order, participate, directly or indirectly, 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. Benefitting 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.

SECOND, that no person may, directly or indirectly, do any of the following:

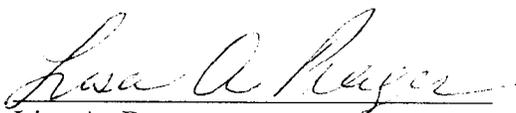
- A. Export or reexport to or on behalf of the denied person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by a denied person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby a denied person acquires or attempts 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 person of any item subject to the Regulations that has been exported from the United States;
- D. Obtain from the denied person 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 that is owned, possessed or controlled by a denied person, or service any item, of whatever origin, that is owned, possessed or controlled by a denied person 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.

THIRD, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to the denied person by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of this Order.

FOURTH, that as authorized by Section 766.18(c) of the Regulations, the last five years of the denial period set forth in paragraph FIRST shall be suspended for a period of five years beginning five years from the date of the entry of this Order and shall thereafter be waived, provided that during the period of suspension, Hashemi has committed no violation of the Act or any regulation, order or license issued thereunder.

FIFTH, that the proposed 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.



Lisa A. Prager
Acting Assistant Secretary
for Export Enforcement

Entered this 12th day of March, 2001.