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## Rhode Island Company Settles Charges of Antiboycott Violations

The U.S. Department of Commerce today announced that Hord Crystal Corporation (*Hord*) of Pawtucket , Rhode Island , agreed to pay a \$12,500 civil penalty to settle allegations that it violated the antiboycott provisions of the Export Administration Regulations (EAR).

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The Commerce Departments Bureau of Industry and Security (BIS) alleged that, on four occasions, Hord, in connection with transactions involving the sale and transfer of goods from the United States to Dubai , United Arab Emirates , furnished prohibited information about its business relationships with Israel in violation of the EAR. The company certified on shipping documents that the goods were "neither of Israeli origin nor do they contain Israeli materials, nor are being exported from Israel ." BIS also alleged that Hord failed to report in a timely manner its receipt of a request from Dubai to provide such certification.

The antiboycott provisions of the EAR prohibit U.S. persons from complying with certain requirements of unsanctioned foreign boycotts, including furnishing information about business relationship with or in Israel . In addition, the EAR requires that U.S. persons report their receipt of certain boycott requests to the Department of Commerce.

Acting Assistant Secretary for Export Enforcement Wendy L. Wysong commended BISs Office of Antiboycott Compliance for their work on this investigation.

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UNITED STATES OF AMERICA  
DEPARTMENT OF COMMERCE

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In the Matter of )  
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Hord Crystal Corporation ) Case No. 99-13  
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..... )

ORDER

The Office of Antiboycott Compliance, Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), having determined to initiate an administrative proceeding pursuant to Section 11(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app §§ 2401-2420 (2000) (the "Act")<sup>1</sup> and the Export Administration Regulations (currently codified at 15 C.F.R Parts 730-774 (2005))(the "Regulations"), against Hord Crystal Corporation ("Hord"), a domestic concern incorporated in the State of Rhode Island, based on allegations set forth in the Proposed Charging Letter, dated April 29, 2004, that alleged that Hord committed

<sup>1</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 most recent 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 remained in effect through August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 6, 2004 (69 *Fed. Reg.* 48763 (August 10, 2004)), continues the Regulations in effect under IEEPA. The Regulations are available on the Government Printing Office Website at: [www.access.gpo.gov/bis/](http://www.access.gpo.gov/bis/).

five violations of the Regulations;

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Specifically, the charges are:

1. *One Violation of 15 C.F.R. §760.5 - Failing to Report the Receipt of a Request to Engage in a Restrictive Trade Practice or Foreign Boycott Against a Country Friendly to the United States:*

During the period March through August 1999, Hord engaged in activities involving the sale and transfer of goods from the United States to Dubai. In connection with these activities, Hord, on one occasion, received a request for an invoice containing the following information :

“WE HEREBY DECLARE THAT THE MENTIONED GOODS ARE NEITHER OF ISRAELI ORIGIN NOR DO THEY CONTAIN ISRAELI MATERIALS NOR ARE BEING EXPORTED FROM ISRAEL ....”

Hord therefore received a request to take an action which would have the effect of furthering or supporting a restrictive trade practice or unsanctioned foreign boycott. Hord failed to report its receipt of this request to the Department of Commerce, as directed by Section 760.5 of the Regulations.

2. *Four Violations of 15 C.F.R. §760.2(d) - Furnishing Information about Business Relationships with Boycotted Countries or Blacklisted Persons:*

In connection with the activities, described in item 1, above, Hord, on four occasions, with intent to comply with, further or support an unsanctioned foreign

boycott, furnished shipping documents containing the information requested in item 1, above, concerning Hord's business relationships with or in a boycotted country, an activity prohibited by Section 760.2(d) of the Regulations.

BIS and Hord having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby the parties 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 THAT:

FIRST, a civil penalty of \$ 12,500 is assessed against Hord and 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, pursuant to the Debt Collections Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (1983 and Supp. 2001)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Hord will be assessed, in addition to the full amount of the penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

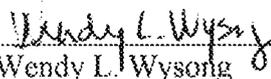
THIRD, as authorized by Section 11(d) of the Act, the timely payment of the sum of \$ 12,500 is hereby made a condition to the granting, restoration or continuing validity of any export license, permission, or privilege granted, or to be granted, to Hord.

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

FOURTH, the Proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public, and a copy of this Order shall be served upon Hord.

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

  
.....  
Wendy L. Wysong  
Acting Assistant Secretary for Export Enforcement

Entered this 15th day of June, 2005

Attachments

INSTRUCTIONS FOR PAYMENT OF SETTLEMENT AMOUNT

1. The check should be made payable to:

U.S. DEPARTMENT OF COMMERCE

2. The check should be mailed to:

U.S. Department of Commerce  
Bureau of Industry and Security  
Room 6881  
14th & Constitution Avenue, N.W.  
Washington, D.C. 20230

Attention: Sharon Gardner

## NOTICE

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty. It also specifies the amount owed and the date by which payment of the civil penalty is due and payable.

Under the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (1983 and Supp. 2001)) and the Federal Claims Collection Standards (65 Fed. Reg. 70390-70406, November 22, 2000, to be codified at 31 C.F.R. Parts 900-904), interest accrues on any and all civil monetary penalties owed and unpaid under the Order, from the date of the Order until paid in full. The rate of interest assessed respondent is the rate of the current value of funds to the U.S. Treasury on the date that the Order was entered. However, interest is waived on any portion paid within 30 days of the date of the Order. See 31 U.S.C. §3717 and 31 C.F.R. §901.9.

The civil monetary penalty will be delinquent if not paid by the due date specified in the Order. If the penalty becomes delinquent, interest will continue to accrue on the balance remaining due and unpaid, and respondent will also be assessed both an administrative charge to cover the cost of processing and handling the delinquent claim and a penalty charge of six percent per year. However, although the penalty charge will be computed from the date that the civil penalty becomes delinquent, it will be assessed only on sums due and unpaid for over 90 days after that date. See 31 U.S.C. §3717 and 4 C.F.R. §901.9.

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

UNITED STATES OF AMERICA  
DEPARTMENT OF COMMERCE

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In the Matter of )  
 ) Case No. 99-13  
Hord Crystal Corporation )  
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..... )

SETTLEMENT AGREEMENT

This agreement is made by and between Hord Crystal Corporation, Inc. ("Hord"), a domestic concern incorporated in the State of Rhode Island, and the Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce ("BIS"), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2005)) (the "Regulations"), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the "Act").<sup>1</sup>

<sup>1</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 most recent 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 remained in effect through August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 6, 2004 (69 Fed. Reg. 48763 (August 10, 2004)), continues the Regulations in effect under IEEPA. The Regulations are available on the Government Printing Office Website at: [www.access.gpo.gov/bis/](http://www.access.gpo.gov/bis/).

WHEREAS, BIS has notified Hord of its intention to initiate an administrative proceeding against Hord Crystal, pursuant to Section 11(c) of the Act by issuing the Proposed Charging Letter dated, April 29, 2004, a copy of which is attached hereto and incorporated herein by this reference; and

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

WHEREAS, Hord neither admits nor denies the truth of the allegations, but wishes to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

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

NOW, THEREFORE, Hord and BIS agree as follows:

1. Under the Act and the Regulations, BIS has jurisdiction over Hord with respect to the matters alleged in the Proposed Charging Letter.

2. BIS will impose a civil penalty in the amount of \$ 12,500.00 Hord will pay to the U.S. Department of Commerce, within 30 days of receipt of service of the Order, and in accordance with the terms of the Order, when entered, the amount of \$ 12,500 in complete settlement of all matters set forth in the Proposed Charging Letter.
  
3. As authorized by Section 11(d) of the Act, timely payment of the amount agreed to in paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Hord. Failure to make payment of this amount shall result in the denial of all of Hord's export privileges for a period of one year from the date of entry of the Order.
  
4. Subject to the approval of this Settlement Agreement, pursuant to paragraph 9 hereof, Hord hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the Order, when entered) including, without limitation, any right to:
  - A. An administrative hearing regarding the allegations in the Proposed Charging Letter;
  
  - B. Request a refund of the funds paid by Hord pursuant to this Settlement Agreement and the Order, when entered; or
  
  - C. Seek judicial review or otherwise contest the validity of this Settlement Agreement or the Order, when entered.

5. BIS, upon entry of the Order, will not initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against Hord with respect to any violation of Section 8 of the Act or Part 760 of the Regulations arising out of the transactions set forth in the Proposed Charging Letter or any other transaction that was disclosed to or reviewed by BIS in the course of its investigation.
6. Hord understands that BIS will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the Order, when entered.
7. This Settlement Agreement is for settlement purposes only, and does not constitute an admission by Hord that it has violated the Regulations, or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement. Therefore, if this Settlement Agreement is not accepted and the Order not entered by the Assistant Secretary for Export Enforcement, BIS may not use this Settlement Agreement against Hord in any administrative or judicial proceeding. ¶
8. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the Order, when entered, nor shall this Settlement Agreement bind, constrain or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and

circumstances herein addressed. This paragraph shall not limit Hord's right to challenge any action brought by any other agency based on a referral by BIS or any employee thereof, in contravention of paragraph 5 of this Settlement Agreement.

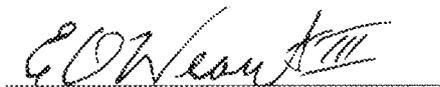
9. This Settlement Agreement will become binding on BIS only when approved by the Assistant Secretary for Export Enforcement by entering the Order.

HORD CRYSTAL CORPORATION



DATE: 5-25-05

U.S. DEPARTMENT OF COMMERCE



DATE: 5.19.05

Edward O. Weant III  
Acting Director  
Office of Antiboycott Compliance

Attachment

PROPOSED CHARGING LETTER

Hord Crystal Corporation  
33-45 York Avenue  
Pawtucket, RI 02860

Attention: Mr. Mark Thomas  
President

Case No. 99-13

Gentlemen\Ladies.

We, the Bureau of Industry and Security, United States Department of Commerce ("BIS"), have reason to believe that you, Hord Crystal Corporation, have violated the Export Administration Regulations (the "Regulations"),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979 (the "Act"),<sup>2</sup> on five occasions.

We charge that, with intent to comply with, further or support an unsanctioned foreign boycott, you committed four violations of Section 760.2(d) of the Regulations, in that, on four occasions

you furnished information about your business relationships with or in a boycotted country. We also charge that you committed one violation of Section 760.5, in that on one occasion you failed to report, in a timely manner, to the Department of Commerce your receipt of a request to engage in a restrictive trade practice or boycott, as required by the Regulations.

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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 (2005). The violations charged occurred in 1999. The Regulations governing the violations at issue are found in the 1999 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999)). They are substantially the same as the 2003 version of the Regulations which govern the procedural aspects of this case.

<sup>2</sup> 50 U.S.C. §§ 2401-2420 (2000). 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 most recent 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 remained in effect through August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 6, 2004 (69 *Fed. Reg.* 48763 (August 10, 2004)), continues the Regulations in effect under IEEPA. The Act and Regulations are available on the Government Printing Office Website at: [www.access.gpo.gov/bis/](http://www.access.gpo.gov/bis/).

We allege that:

You are a domestic concern resident in the State of Rhode Island. As such, you are a United States person as defined in Section 760.1(b) of the Regulations.

During the period March 1999 through August 1999, you engaged in activities involving the sale and transfer of U.S. goods from the United States to Dubai, U.A.E. Those activities were in the interstate and foreign commerce of the United States, as defined in Section 760.1(d) of the Regulations.

**Charge 1 ( Failing to Report, as Required by Section 760.5 of the Regulations, a Request to Engage in a Restrictive Trade Practice or Foreign Boycott of a Country Friendly to the United States)**

In connection with the activities referred to above, on or about March 29, 1999, you received a request from Preciosa Gulf FZE, a company in Dubai, U.A.E., for an invoice containing the following information:

“WE HEREBY DECLARE THAT THE MENTIONED GOODS ARE NEITHER OF ISRAELI ORIGIN NOR DO THEY CONTAIN ISRAELI MATERIALS NOR ARE BEING EXPORTED FROM ISRAEL ....”

Section 760.5(b) of the Regulations requires United States persons to report to the Department their receipts of such requests.

You failed to report, as required by Section 760.5 of the Regulations, your receipt of the request described above. By failing to report your receipt of the request as directed by Section 760.5(b) of the Regulations, you are in violation of Section 760.5. Therefore, we charge you with one (1) violation of Section 760.5 of the Regulations.

**Charges 2 - 5 (Furnishing Information about Business Relationships with Boycotted Countries in Violation of Section 760.2(d) of the Regulations)**

In connection with the activities described above, on four occasions, on or about March 31, 1999, April 21, 1999, May 6, 1999, and July 16, 1999, you provided shipping documents, including invoices and certificates of origin, to Preciosa Gulf FZE. At least one document in each set of shipping documents contained the information mentioned in Count 1, above.

Section 760.2(d) of the Regulations prohibits U.S. persons from furnishing information about business relationships with or in a boycotted country. By providing the information described above, with intent to comply with, further or support an unsanctioned foreign boycott, you violated Section 760.2(d) on four occasions. Therefore, we charge you with four violations of Section 760.2(d).

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions.<sup>3</sup>

You are entitled to a hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for it with your answer. You are entitled to be represented by counsel, and under Section 766.18 of the Regulations, to seek a settlement agreement.

If you fail to answer the allegations contained in this letter within thirty (30) days after service as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

As provided in Section 766.3 of the Regulations, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between BIS 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 matters set forth in this letter. Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filed with:

Attention: Administrative Law Judge  
U.S. Coast Guard ALJ Docketing Center  
40 South Gay Street  
Baltimore, Maryland 21202-4022

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<sup>3</sup> Administrative sanctions may include any or all of the following:  
a. A civil penalty of \$11,000 per violation (see 15 C.F.R. Section 6.4(a)(2), 2003);  
b. Denial of export privileges, and/or  
c. Exclusion from practice before BIS.

Also, in accordance with the instruction in Section 766.5(b) of the Regulations, a copy of your answer should also be served on BIS at:

Office of the Chief Counsel for Industry and Security  
Room H-3839  
Bureau of Industry and Security  
U.S. Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Sincerely,

Edward O. Weant III  
Acting Director  
Office of Antiboycott Compliance