

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

In the Matter of:)
)
Mazen Ghashim)
3334 Walnut Bend Lane)
Houston, TX 77042)
)
Respondent)

ORDER RELATING TO MAZEN GHASHIM

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Mazen Ghashim (“Ghashim”), of its intention to initiate an administrative proceeding against him pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (the “Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),² through the issuance of a proposed charging letter to Ghashim that alleged that Ghashim committed two violations of the Regulations. Specifically, the charges are:

¹ The charged violations occurred during 2003 and 2004. The Regulations governing the violations at issue are found in the 2003 and 2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2003-2004)). The 2006 Regulations establish the procedures that apply to this matter.

² 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 successive Presidential Notices, the most recent being that of August 3, 2006 (71 Fed. Reg. 44,551 (Aug. 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.

Charge 1 15 C.F.R. § 764.2(c) – Attempting to Export Garment Samples to Syria without the Required License

On one occasion, on or about November 16, 2004, Ghashim attempted a violation of the Regulations by attempting to export garment samples to Syria without the Department of Commerce license required by General Order No. 2 of Supplement No. 1 to Part 736 of the Regulations. Garment samples are items subject to the Regulations and are designated as EAR99 items.³ In so doing, Ghashim committed one violation of Section 764.2(c) of the Regulations.

Charge 2 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

On one occasion, on or about November 16, 2004, in connection with the transaction described in Charge 1, above, Ghashim transferred, transported or forwarded garment samples with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the items. Specifically, Ghashim transferred, transported or forwarded the items, which he planned to export to Syria without a Department of Commerce license. Ghashim had knowledge that a violation was about to occur or was intended to occur because on or about June 24, 2004 he was informed by a BIS official that any item sent to Syria would require a Department of Commerce license, with certain exceptions for food and medicine. In so doing, Ghashim committed one violation of Section 764.2(e) of the Regulations.

WHEREAS, BIS and Ghashim have 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

WHEREAS, I have approved of the terms of such Settlement Agreement;

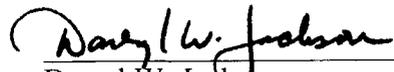
IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$22,000 is assessed against Ghashim. Payment of this penalty shall be suspended for a period of five years from the date of entry of this Order and thereafter shall be waived, provided that during the period of suspension, Ghashim has committed no violation of the Act, or any regulation, order, or license issued thereunder.

³ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List.

FOURTH, 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.



Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 12th day of September, 2006.

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

In the Matter of:)
)
Mazen Ghashim)
3334 Walnut Bend Lane)
Houston, TX 77042)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Mazen Ghashim (“Ghashim”) and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively, the “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (the “Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),²

WHEREAS, BIS has notified Ghashim of its intention to initiate an administrative proceeding against him as President of Ghashim Group, Inc. doing business as KZ

¹ The charged violations occurred during 2003 and 2004. The Regulations governing the violations at issue are found in the 2003 and 2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2003-2004)). The 2006 Regulations establish the procedures that apply to this matter.

² 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 successive Presidential Notices, the most recent being that of August 3, 2006 (71 Fed. Reg. 44,551 (Aug. 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.

Results of Houston, Texas (“KZ Results”), in his individual capacity, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to Ghashim that alleged that Ghashim committed 99 violations of the Regulations, specifically:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy to Export Items from the United States to Syria without the Required License

Beginning in or about February 2003 and continuing through in or about June 2004, Ghashim conspired and acted in concert with others, known and unknown, to violate the Regulations and to bring about acts constituting violations of the Regulations. The purpose of the conspiracy was to export computers from the United States to Syria directly and by transshipment through the United Arab Emirates (“U.A.E.”). The computers were items subject to the Regulations and classified under Export Control Classification Number (“ECCN”) 4A003 and ECCN 4A994. As set forth in Section 742.9 of the Regulations, a Department of Commerce export license was required before the computers could be exported to Syria. To accomplish the conspiracy, the conspirators, including Ghashim, participated in a scheme to have Ghashim purchase the computers from U.S. distributors and manufacturers and to have Ghashim export of the items to Syria directly or by transshipment through the U.A.E. without a Department of Commerce export licenses. In so doing, Ghashim committed one violation of Section 764.2(d) of the Regulations.

Charges 2-15 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct by Exporting Computers to Syria without the Required License

On 14 occasions, between on or about February 26, 2003 and on or about December 13, 2003, Ghashim engaged in conduct prohibited by the Regulations by exporting over 300 computers subject to the Regulations and classified under ECCN 4A994 and one computer subject to the Regulations and classified under ECCN 4A003 to Syria without the Department of Commerce licenses required by Section 742.9 of the Regulations. In so doing, Ghashim committed 14 violations of Section 764.2(a) of the Regulations.

Charges 16-26 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct by Exporting Computers to Syria through the United Arab Emirates without the Required License

On 11 occasions, between on or about January 7, 2004 and May 21, 2004, Ghashim engaged in conduct prohibited by the Regulations by exporting over 400 computers subject to the Regulations and classified under ECCN 4A994 to Syria without the Department of Commerce license required by Section 742.9 of the Regulations. Specifically, Ghashim transshipped these computers to Syria through a shipping

consolidator and forwarder in the U.A.E. In so doing, Ghashim committed 11 violations of Section 764.2(a) of the Regulations.

Charges 27-37 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

On 11 occasions, between on or about January 7, 2004 and May 21, 2004, in connection with the transactions described in Charges 16-26, above, Ghashim sold, transferred or forwarded computers to Syria by transshipment through the U.A.E. with knowledge that violations of the Regulations were occurring. Ghashim had knowledge that violations were occurring because Ghashim had been advised by the U.S. Government and his computer suppliers that licenses were required to export or transship these items to Syria, and Ghashim had license applications pending with BIS for exports to Syria of similarly controlled items. In selling, transferring or forwarding these computers with knowledge that violations were occurring, Ghashim committed 11 violations of Section 764.2(e) of the Regulations.

Charges 38-39 15 C.F.R. § 764.2(c) – Attempting to Violate the Regulations by Exporting Computers to Syria through the United Arab Emirates without the Required License

On two occasions, on or about June 16, 2004 and on or about June 22, 2004, Ghashim attempted to violate the Regulations by attempting to export over 10 computers subject to the Regulations and classified under ECCN 4A994 to Syria without the Department of Commerce license required by Section 742.9 of the Regulations. Specifically, Ghashim attempted to export these computers to Syria by transshipment through a shipping consolidator and forwarder in the U.A.E. In so doing, Ghashim committed two violations of Section 764.2(a) of the Regulations.

Charges 40-41 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

On two occasions, on or about June 16, 2004 and on or about June 22, 2004, in connection with the transactions described in Charges 38-39, above, Ghashim ordered, bought, stored, sold, transferred or transported computers with knowledge that violations of the Regulations were about to occur or were intended to occur in connection with the items. Specifically, Ghashim ordered, bought, stored, sold, transferred or transported the items, which Ghashim planned to export to Syria through the U.A.E. without a Department of Commerce license. Ghashim had knowledge that violations were about to occur or were intended to occur because he had been advised by the U.S. Government and his suppliers that licenses were required to export or transship these items to Syria, and he had license applications pending with BIS for exports to Syria of similarly controlled items. In so doing, Ghashim committed two violations of Section 764.2(e) of the Regulations.

Charges 42-66 15 C.F.R. § 764.2(g) – Misrepresentation of Facts through False Statements on Shipper’s Export Declarations

On 25 occasions between on or about February 26, 2003 and on or about May 21, 2004, in connection with the transactions described in Charges 2-26, above, Ghashim indirectly made false statements to the U.S. Government in connection with the submission of export control documents. Specifically, Ghashim, through his freight forwarder, filed Shipper’s Export Declarations (“SEDs”) with the U.S. Government stating that the items that were the subject of the SEDs qualified for export as “NLR,” meaning that no license was required for their export. These representations were false, as licenses were required for the computers included in the shipments. SEDs are export control documents, as defined in Part 772 of the Regulations. In filing, through his freight forwarder, SEDs with the U.S. Government that contained false statements of fact, Ghashim committed 25 violations of Section 764.2(g) of the Regulations.

Charges 67-77 15 C.F.R. § 764.2(e) – Acting with Knowledge of a False Statement Being Made to the U.S. Government

On 11 occasions, between on or about January 7, 2004 and on or about May 21, 2004, in connection with the 11 transactions described in Charges 56-66, above, Ghashim sold, transferred or forwarded computers subject to the Regulations that were to be exported from the United States with knowledge that violations of the Regulations would occur in connection with the export of the computers. Specifically, Ghashim knew that he indirectly had filed false SEDs with the U.S. Government in connection with his sale, transfer, or forwarding of the computers. Ghashim knew that the items required export licenses because he had been advised by the U.S. Government and his computer suppliers that licenses were required to export or transship these items to Syria, and he had license applications pending with BIS for exports to Syria of similarly controlled items. Nevertheless, Ghashim informed his freight forwarder that the computers did not require export licenses and that the SEDs should indicate that no license was required. In so doing, Ghashim committed 11 violations of Section 764.2(e) of the Regulations.

Charges 78-88 15 C.F.R. § 764.2(g) – Misrepresentation of Facts through False Statements on Shipper’s Export Declarations

On 11 occasions between on or about January 7, 2004 and on or about May 21, 2004, in connection with the transactions described in Charges 16-26, above, Ghashim indirectly made false statements to the U.S. Government in connection with the submission of export control documents. Specifically, Ghashim, through his freight forwarder, filed SEDs with the U.S. Government stating that the U.A.E. was the country of ultimate destination of the computers that were the subject of the SEDs. These representations were false, as the country of ultimate destination of the items being exported was Syria. SEDs are export control documents, as defined in Part 772 of the Regulations. In filing, through his freight forwarder, SEDs with the U.S. Government that contained false statements of fact, Ghashim committed 11 violations of Section 764.2(g) of the Regulations.

Charges 89-99 15 C.F.R. § 764.2(e) – Acting with Knowledge of a False Statement Being Made to the U.S. Government

On 11 occasions, between on or about January 7, 2004 and on or about May 21, 2004, in connection with the 11 transactions described in Charges 78-88, above, Ghashim sold, transferred or forwarded computers subject to the Regulations that were to be exported from the United States with knowledge that violations of the Regulations would occur in connection with the export of the computers. Specifically, Ghashim knew that he indirectly had filed false SEDs with the U.S. Government in connection with his sale, transfer or forwarding of the computers. Ghashim knew that the country of ultimate destination of the items was Syria, but he informed his freight forwarder that the country of ultimate destination was the U.A.E. In so doing, Ghashim committed 11 violations of Section 764.2(e) the Regulations.

WHEREAS, Ghashim 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;

WHEREAS, Ghashim fully understands the terms of this Agreement and the Order (“Order”) that the Assistant Secretary of Commerce for Export Enforcement will issue if he approves this Agreement as the final resolution of this matter;

WHEREAS, Ghashim enters into this Agreement voluntarily and with full knowledge of his rights;

WHEREAS, Ghashim states that no promises or representations have been made to him other than the agreements and considerations herein expressed;

WHEREAS, Ghashim neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, Ghashim wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, Ghashim agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Ghashim, under the Regulations, in connection with the matters alleged in the proposed charging letter.

2. The following sanction shall be imposed against Ghashim in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the proposed charging letter:

a. Ghashim shall be assessed a civil penalty in the amount of \$1,089,000. Ghashim shall pay \$22,000 to the Department of Commerce as follows: \$2,200 not later than October 15, 2006; \$2,200 not later than November 15, 2006; \$2,200 not later than December 15, 2006; \$2,200 not later than January 15, 2007; \$2,200 not later than February 15, 2007; \$2,200 not later than March 15, 2007; \$2,200 not later than April 15, 2007; \$2,200 not later than May 15, 2007; \$2,200 not later than June 15, 2007; and \$2,200 not later than July 15, 2007. Payment of the remaining \$1,067,000 shall be suspended for a period of five years from the date of entry of the Order and thereafter shall be waived, provided that during the period of suspension, Ghashim has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made the payment of \$22,000, described above, in a timely manner.

b. 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 Ghashim. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Ghashim's export privileges under the Regulations for a period of one year from the date of imposition of the penalty.

c. For a period of twenty years from the date of entry of the Order, Ghashim, his successors or assigns, and, when acting for or on behalf of Ghashim, his representatives, agents, assigns, or employees, including MNC Group International, Inc. doing business as Wearform, doing business as Sports Zone, doing business as Soccer Zone of 3334 Walnut Bend Lane, Houston, Texas 77042, which is a person related to Ghashim by ownership, control, position of responsibility, and other affiliation (“Related Person”) (collectively, “Denied Person”) may not 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 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; or

iii. 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.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Ghashim hereby waives 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 any charging letter; (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 \$22,000 civil penalty, BIS will not initiate any further administrative proceeding against Ghashim in connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed charging letter.

5. BIS will make the proposed charging letter, 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

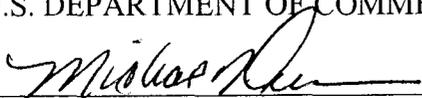
shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

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 U.S. Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on the Parties 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.

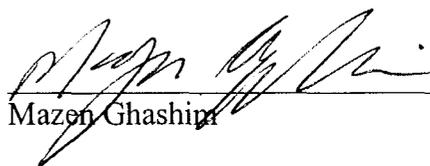
BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE



Michael D. Turner
Director
Office of Export Enforcement

Date: 9/7/06

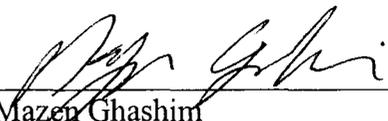
MAZEN GHASHIM



Mazen Ghashim

Date: 08-31-06

MNC GROUP INTERNATIONAL, INC.



Mazen Ghashim
President

Date: 08-31-06

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mazen Ghashim
3334 Walnut Bend Lane
Houston, TX 77042

Dear Mr. Ghashim:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that you, Mazen Ghashim (“Ghashim”), acting as the President of Ghashim Group, Inc. d.b.a. KZ Results (“KZ Results”), in your individual capacity, have committed 99 violations of the Export Administration Regulations (the “Regulations”),¹ which are issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS charges that Ghashim, as the President of KZ Results, committed the following violations:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy to Export Items from the United States to Syria without the Required License

Beginning in or about February 2003 and continuing through in or about June 2004, Ghashim conspired and acted in concert with others, known and unknown, to violate the Regulations and to bring about acts constituting violations of the Regulations. The purpose of the conspiracy was to export computers from the United States to Syria directly and by transshipment through the United Arab Emirates (“U.A.E.”). The computers were items subject to the Regulations and classified under Export Control Classification Number (“ECCN”) 4A003 and ECCN 4A994. As set forth in Section 742.9 of the Regulations, a Department of Commerce export license was required before the computers could be exported to Syria. To accomplish the conspiracy, the conspirators, including Ghashim, participated in a scheme to have Ghashim purchase the computers from U.S. distributors and manufacturers and to have Ghashim export of the

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2006). The violations charged occurred during 2003 and 2004. The Regulations governing the violations at issue are found in the 2003 and 2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2003-2004)). The 2006 Regulations govern the procedural aspects of this case.

² 50 U.S.C. app. §§ 2401- 2420 (2000). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13,222 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 3, 2006 (71 Fed. Reg. 44,551, Aug. 7, 2006), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.

items to Syria directly or by transshipment through the U.A.E. without a Department of Commerce export licenses. In so doing, Ghashim committed one violation of Section 764.2(d) of the Regulations.

Charges 2-15 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct by Exporting Computers to Syria without the Required License

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on 14 occasions, between on or about February 26, 2003 and on or about December 13, 2003, Ghashim engaged in conduct prohibited by the Regulations by exporting over 300 computers subject to the Regulations and classified under ECCN 4A994 and one computer subject to the Regulations and classified under ECCN 4A003 to Syria without the Department of Commerce licenses required by Section 742.9 of the Regulations. In so doing, Ghashim committed 14 violations of Section 764.2(a) of the Regulations.

Charges 16-26 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct by Exporting Computers to Syria through the United Arab Emirates without the Required License

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on 11 occasions, between on or about January 7, 2004 and May 21, 2004, Ghashim engaged in conduct prohibited by the Regulations by exporting over 400 computers subject to the Regulations and classified under ECCN 4A994 to Syria without the Department of Commerce license required by Section 742.9 of the Regulations. Specifically, Ghashim transshipped these computers to Syria through a shipping consolidator and forwarder in the U.A.E. In so doing, Ghashim committed 11 violations of Section 764.2(a) of the Regulations.

Charges 27-37 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on 11 occasions, between on or about January 7, 2004 and May 21, 2004, in connection with the transactions described in Charges 16-26, above, Ghashim sold, transferred or forwarded computers to Syria by transshipment through the U.A.E. with knowledge that violations of the Regulations were occurring. Ghashim had knowledge that violations were occurring because Ghashim had been advised by the U.S. Government and his computer suppliers that licenses were required to export or transship these items to Syria, and Ghashim had license applications pending with BIS for exports to Syria of similarly controlled items. In selling, transferring or forwarding these computers with knowledge that violations were occurring, Ghashim committed 11 violations of Section 764.2(e) of the Regulations.

Charges 38-39 15 C.F.R. § 764.2(c) – Attempting to Violate the Regulations by Exporting Computers to Syria through the United Arab Emirates without the Required License

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on two occasions, on or about June 16, 2004 and on or about June 22, 2004, Ghashim attempted to violate the Regulations by attempting to export over 10 computers subject to the Regulations and classified under ECCN 4A994 to Syria without the Department of Commerce license required by Section 742.9 of the Regulations. Specifically, Ghashim attempted to export these computers to Syria by transshipment through a shipping consolidator and forwarder in the U.A.E. In so doing, Ghashim committed two violations of Section 764.2(a) of the Regulations.

Charges 40-41 15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on two occasions, on or about June 16, 2004 and on or about June 22, 2004, in connection with the transactions described in Charges 38-39, above, Ghashim ordered, bought, stored, sold, transferred or transported computers with knowledge that violations of the Regulations were about to occur or were intended to occur in connection with the items. Specifically, Ghashim ordered, bought, stored, sold, transferred or transported the items, which Ghashim planned to export to Syria through the U.A.E. without a Department of Commerce license. Ghashim had knowledge that violations were about to occur or were intended to occur because he had been advised by the U.S. Government and his suppliers that licenses were required to export or transship these items to Syria, and he had license applications pending with BIS for exports to Syria of similarly controlled items. In so doing, Ghashim committed two violations of Section 764.2(e) of the Regulations.

Charges 42-66 15 C.F.R. § 764.2(g) – Misrepresentation of Facts through False Statements on Shipper’s Export Declarations

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on 25 occasions between on or about February 26, 2003 and on or about May 21, 2004, in connection with the transactions described in Charges 2-26, above, Ghashim indirectly made false statements to the U.S. Government in connection with the submission of export control documents. Specifically, Ghashim, through his freight forwarder, filed Shipper’s Export Declarations (“SEDs”) with the U.S. Government stating that the items that were the subject of the SEDs qualified for export as “NLR,” meaning that no license was required for their export. These representations were false, as licenses were required for the computers included in the shipments. SEDs are export control documents, as defined in Part 772 of the Regulations. In filing, through his freight forwarder, SEDs with the U.S. Government that contained false statements of fact, Ghashim committed 25 violations of Section 764.2(g) of the Regulations.

Charges 67-77 15 C.F.R. § 764.2(e) – Acting with Knowledge of a False Statement Being Made to the U.S. Government

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on 11 occasions, between on or about January 7, 2004 and on or about May 21, 2004, in connection with the 11 transactions described in Charges 56-66, above, Ghashim sold, transferred or forwarded computers subject to the Regulations that were to be exported from the United States with knowledge that violations of the Regulations would occur in connection with the export of the computers. Specifically, Ghashim knew that he indirectly had filed false SEDs with the U.S. Government in connection with his sale, transfer, or forwarding of the computers. Ghashim knew that the items required export licenses because he had been advised by the U.S. Government and his computer suppliers that licenses were required to export or transship these items to Syria, and he had license applications pending with BIS for exports to Syria of similarly controlled items. Nevertheless, Ghashim informed his freight forwarder that the computers did not require export licenses and that the SEDs should indicate that no license was required. In so doing, Ghashim committed 11 violations of Section 764.2(e) of the Regulations.

Charges 78-88 15 C.F.R. § 764.2(g) – Misrepresentation of Facts through False Statements on Shipper's Export Declarations

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on 11 occasions between on or about January 7, 2004 and on or about May 21, 2004, in connection with the transactions described in Charges 16-26, above, Ghashim indirectly made false statements to the U.S. Government in connection with the submission of export control documents. Specifically, Ghashim, through his freight forwarder, filed SEDs with the U.S. Government stating that the U.A.E. was the country of ultimate destination of the computers that were the subject of the SEDs. These representations were false, as the country of ultimate destination of the items being exported was Syria. SEDs are export control documents, as defined in Part 772 of the Regulations. In filing, through his freight forwarder, SEDs with the U.S. Government that contained false statements of fact, Ghashim committed 11 violations of Section 764.2(g) of the Regulations.

Charges 89-99 15 C.F.R. § 764.2(e) – Acting with Knowledge of a False Statement Being Made to the U.S. Government

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on 11 occasions, between on or about January 7, 2004 and on or about May 21, 2004, in connection with the 11 transactions described in Charges 78-88, above, Ghashim sold, transferred or forwarded computers subject to the Regulations that were to be exported from the United States with knowledge that violations of the Regulations would occur in connection with the export of the computers. Specifically, Ghashim knew that he indirectly had filed false SEDs with the U.S. Government in connection with his sale, transfer or forwarding of the computers.

Ghashim knew that the country of ultimate destination of the items was Syria, but he informed his freight forwarder that the country of ultimate destination was the U.A.E. In so doing, Ghashim committed 11 violations of Section 764.2(e) the Regulations.

* * * * *

Accordingly, Ghashim 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 up to \$11,000 per violation;³
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If Ghashim 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. *See* 15 C.F.R. §§ 766.6 and 766.7 (2006). If Ghashim defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Ghashim. 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.

Ghashim is further notified that it is entitled to an agency hearing on the record if Ghashim files a written demand for one with his answer. *See* 15 C.F.R. § 766.6 (2006). Ghashim is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent him. 15 C.F.R. §§ 766.3(a) and 766.4 (2006).

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18 (2006). Should Ghashim have a proposal to settle this case, Ghashim or his representative should transmit it through the attorney representing BIS, who is named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Ghashim'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 Ghashim's answer must be served on BIS at the following address:

³ *See* 15 C.F.R. § 6.4(a)(4) (2003-2004).

Mazen Ghashim
Proposed Charging Letter
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Chief Counsel for Industry and Security
Attention: Thea D. R. Kendler
Room H-3839
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

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

Sincerely,

Michael D. Turner
Director
Office of Export Enforcement

Enclosure