

¹ 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)), which has been extended by successive Presidential Notices, the most recent of which was August 13, 2009 (74 Fed. Reg. 41325) (August 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707 (2000)).

WHEREAS, BIS has notified USO of its intention to initiate an administrative proceeding against USO pursuant to the Act and the Regulations by issuing the Proposed Charging Letter dated February 4, 2010, a copy of which is attached hereto and incorporated herein by this reference; and

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

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

NOW, THEREFORE, USO and BIS agree as follows:

1. Under the Act and the Regulations, BIS has jurisdiction over USO with respect to the matters alleged in the Proposed Charging Letter.
2. BIS will impose a civil penalty in the amount of \$19,800. USO will pay to the U.S. Department of Commerce, within 30 days from the date of entry of the Order, and in accordance with the terms of the Order, when entered, the amount of \$19,800 in complete settlement of all matters set forth in the Proposed Charging Letter.
3. The 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 USO.

Failure to make payment of this amount shall result in the denial of all of USO'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, USO 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 USO 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 USO 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. USO understands that BIS will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the Order, when entered.

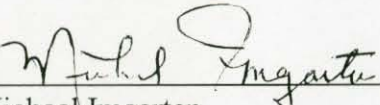
7. This Settlement Agreement is for settlement purposes only, and does not constitute an admission by USO that it has violated the Regulations, or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement.

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 USO 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 USO'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.

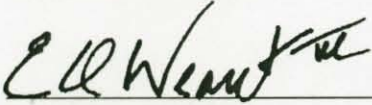
UNITED SOURCE ONE, INC.



Michael Imgarten
President

DATE: 21 MARCH 2010

U.S. DEPARTMENT OF COMMERCE



Edward O. Weant III
Director
Office of Antiboycott Compliance

DATE: MARCH 25, 2010

Attachment



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Industry and Security
Washington, D.C. 20230

PROPOSED CHARGING LETTER

February 04, 2010

United Source One, Inc.
4610 Mercedes Drive
Belcamp, MD 21017

Attention: Mr. Michael Imgarten
President

Case No. 07-10

Gentlemen/Ladies:

We, the Bureau of Industry and Security, United States Department of Commerce ("BIS"), have reason to believe that you, United Source One, Inc., on eleven occasions, have violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2009)) (the "Regulations")¹, which are issued under the authority of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the "Act").²

We charge that you committed eleven violations of Section 760.5 of the Regulations, in that, on eleven occasions you failed to report to the Department of Commerce ("Department") your receipt of a request to engage in a restrictive trade practice or boycott, as required by the Regulations.

¹The alleged violations occurred during the years 2003 through 2006. The Regulations governing the violations at issue are found in the 2003 through 2006 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2003, 2004, 2005 and 2006)). The prior years' regulations are substantially the same as the 2009 version of the Regulations which govern the procedural aspects of 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)), which has been extended by successive Presidential Notices, the most recent of which was August 13, 2009 (74 Fed. Reg. 41325 (August 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§1701-1707 (2000)).



We allege that:

You, United Source One, Inc., are and at all times relevant were, a domestic concern doing business in the State of Maryland. As such, you are a United States person as defined in Section 760.1(b) of the Regulations.

During the period April 2003 through March 2006, you engaged in transactions involving the sale and/or transfer of goods from the United States to Bahrain, Kuwait, Lebanon, and the United Arab Emirates, activities in the interstate or foreign commerce of the United States, as defined in Section 760.1(d) of the Regulations.

Charges 1-11 (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)

In connection with the activities referred to above, during the period April 2003 through March 2006, on eleven occasions, you received a request to take an action which would have the effect of furthering or supporting a restrictive trade practice or unsanctioned foreign boycott. These requests are further described in Table A which is attached and incorporated herein by this reference.

Section 760.5 of the Regulations requires United States persons to report to the Department their receipts of such requests. You failed to report to the Department your receipts of these requests.

By failing to report your receipts of these requests as directed by Section 760.5 of the Regulations, you are in violation of Section 760.5. Therefore, we charge you with eleven violations of Section 760.5 of the Regulations.

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

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.

³Administrative sanctions may include any or all of the following:

- a. A maximum civil penalty of the greater of \$250,000 per violation or twice the value of the transaction that is the basis of the violation (see International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007));
- b. Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice before BIS (see Section 764.3(a)(3) of the Regulations).

Under the Small Business Regulatory Enforcement Flexibility Act, you may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter.⁴

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:

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

Also, in accordance with the instruction in Section 766.5(b) of the Regulations, a copy of your answer should also be served on Bureau of Industry and Security 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
Director
Office of Antiboycott Compliance

⁴To determine eligibility and get more information, please see:
<http://www.sba.gov/ombudsman>.

UNITED SOURCE ONE, INC.
Case No. 07-10

Table A

SCHEDULE OF ALLEGED (§760.5) VIOLATIONS

Item No.	United Source One Reference No.	Letter of Credit No.	Boycotting Country	Letter of Credit Advised (On or About)	Date Report Due	Date Reported	Boycott Request 1/
1	V5061	LCS230431045309	Kuwait	04/10/2003	07/31/2003	NA	A
2	V5087	ILC00253/0003/03	United Arab Emirates	04/23/2003	07/31/2003	NA	B
3	V5190	LCS231210045309	Kuwait	08/15/2003	10/31/2003	NA	C
4	V5191	LCS231202045309	Kuwait	09/09/2003	10/31/2003	NA	C
5	V5280	LCS231599045309	Kuwait	12/12/2003	01/31/2004	NA	C
6	V5281	LCS231613045309	Kuwait	10/29/2003	01/31/2004	NA	C
7	V5282	LCS231610045309	Kuwait	10/29/2003	01/31/2004	NA	C
8	V5744	501.050.05.LSM	Bahrain	02/02/2005	04/30/2005	NA	D
9	V5906, V5907	501.237.05.LSM	Bahrain	05/10/2005	07/31/2005	NA	D
10	V6050, V6051	501.442.05.LSM	Bahrain	09/08/2005	10/31/2005	NA	D
11	V6377	ILC00182/0003/06	United Arab Emirates	03/28/2006	04/30/2006	NA	E

1/ Key to "Boycott Language"

- A. 5. Complete set of . . . ocean bills of lading . . . should state: – (1) that the carrying vessel is allowed to enter Kuwaiti ports. Separate declaration to that effect from the owner/captain of the vessel or from shipping company/their agent is acceptable.
- B. 6. Certificate issued by the owners, agents or master of the vessel carrying the goods stating that the vessel carrying the goods is allowed to enter the Arab port as per laws and regulations of such states.
- C. Complete set of . . . ocean bills of lading . . . should state: – (1) that the carrying vessel is allowed to enter Kuwaiti ports. Separate declaration to that effect from the owner/captain of the vessel or from shipping company/their agent is acceptable.
- D. 3. Shipping company certificate stating vessel name, nationality and bill of lading number, signed by their masters/agent stating that the carrier is not registered in Israel or owned by national or residents of Israeli (sic) and that the carrier will not call at or pass through any Israeli port enroute to Kingdom of Bahrain and that the carrier is otherwise eligible to enter the ports of Kingdom of Bahrain in conformity with its laws and regulations.
- E. 5. Certificate issued by the owners, agents or master of the vessel carrying the goods stating that the vessel carrying the goods is allowed to enter the Arab port as per laws and regulations of such states.

¹ 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)), which has been extended by successive Presidential Notices, the most recent of which was August 13, 2009 (74 Fed. Reg. 41,325 (August 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707 (2000)).

Specifically, the charges are:

1. *Eleven Violations 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 April 2003 through March 2006, USO engaged in transaction(s) involving the sale and/or transfer of goods or services (including information) from the United States to Bahrain, Kuwait, Lebanon, and the United Arab Emirates, activities in the interstate or foreign commerce of the United States, as defined in Section 760.1(d) of the Regulations.

In connection with these activities, USO, on eleven occasions, received a request to take an action which would have the effect of furthering or supporting a restrictive trade practice or unsanctioned foreign boycott. USO failed to report its receipts of these requests to the Department of Commerce, as directed by Section 760.5 of the Regulations.

BIS and USO 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 \$19,800 is assessed against USO and shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment of this sum 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, USO 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, the timely payment of the sum of \$19,800 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 USO.

Accordingly, if USO should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of USO'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 USO.

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



David W. Mills
Assistant Secretary of Commerce for
Export Enforcement

Entered this 26 day of March, 2010

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 6622
14th & Constitution Avenue, N.W.
Washington, D.C. 20230

Attention: James Vidale

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)).