

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

\_\_\_\_\_  
In the Matter of: )  
)  
DPWN Holdings (USA), Inc. )  
(f/k/a DHL Holdings (USA), Inc.) )  
1200 South Pine Island Road )  
Plantation, FL 33324, )  
)  
and )  
)  
DHL Express (USA), Inc. )  
1200 South Pine Island Road )  
Plantation, FL 33324, )  
)  
\_\_\_\_\_  
Respondents. )

ORDER RELATING TO DPWN HOLDINGS (USA), INC. AND  
DHL EXPRESS (USA), INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has initiated an administrative proceeding against DPWN Holdings (USA), Inc. (formerly known as DHL Holdings (USA), Inc.) and DHL Express (USA), Inc. (collectively, “DHL”), pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2009)) (“EAR”),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420) (the “EAA”),<sup>2</sup> through issuance of a Proposed Charging Letter to DHL that alleged that DHL committed 98 violations of the EAR. Specifically:

<sup>1</sup> The violations alleged by BIS occurred in 2004. The governing provisions of the EAR are found in the 2004 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2004)). The 2009 version of the EAR establishes the procedures that apply to the BIS administrative proceeding.

<sup>2</sup> Since August 21, 2001, the EAA 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 most recently by the Notice of July 23, 2008 (73 Fed. Reg. 43,603 (July 25, 2008)), has continued the EAR in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)).

**Charges 1 - 90      15 C.F.R. § 764.2(i): Failure to comply with recordkeeping requirements**

In connection with 90 export transactions from the United States to Syria that occurred between on or about May 15, 2004, and on or about November 4, 2004, DHL failed to retain air waybills and other export control documents, as defined in Part 772 of the EAR, that DHL was required to retain pursuant to Section 762.2 of the EAR. In so doing, DHL committed 90 violations of Section 764.2(i) of the EAR.

**Charges 91-98      15 C.F.R. § 764.2(b): Causing, aiding or abetting the export of items subject to the EAR to Syria without the required licenses**

On eight occasions between on or about June 15, 2004, and on or about September 20, 2004, DHL caused, aided, and abetted acts prohibited by the EAR when it transported items subject to the EAR from the United States to Syria without the required Department of Commerce licenses. The export from the United States to Syria of these items without the required licenses was prohibited under General Order No. 2, set forth in Supplement No. 1 to Part 736 of the EAR. In so doing, DHL committed eight violations of Section 764.2(b) of the EAR.

WHEREAS, BIS and DHL have entered into a Settlement Agreement pursuant to Section 766.18 of the EAR, whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein;<sup>3</sup> and

WHEREAS, I have approved of the terms of the Settlement Agreement;<sup>4</sup>

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<sup>3</sup> The Settlement Agreement also resolves allegations by the U.S. Department of Treasury, Office of Foreign Assets Control ("OFAC"), which is also a party to the Settlement Agreement, of apparent violations of the Iranian Transactions Regulations, 31 C.F.R. Part 560, the Sudanese Sanctions Regulations, 31 C.F.R. Part 538, and the Reporting, Procedures and Penalties Regulations, 31 C.F.R. Part 501 (collectively referred to herein as the "OFAC Regulations"). DHL's apparent violations of the OFAC Regulations are contained in an OFAC Prepenalty Notice that was issued by OFAC on or about October 2, 2008, identified as FAC Number IA-432831, as well as in correspondence from DHL to OFAC dated January 16, 2009 ("DHL Response").

<sup>4</sup> This Order signifies my approval of the Settlement Agreement based on the violations alleged in the Proposed Charging Letter, and not the OFAC Prepenalty Notice or DHL Response referenced in note 3, *supra*.

**IT IS THEREFORE ORDERED:**

FIRST, that a civil penalty of \$9,444,744 is assessed against DHL, which shall be paid to the U.S. Department of Treasury within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the Settlement Agreement.<sup>5</sup>

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), 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, DHL will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to DHL. Accordingly, if DHL should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of DHL's export privileges for a period of one year from the date of entry of this Order.

FOURTH, DHL shall hire an unaffiliated third-party consultant with expertise in U.S. export controls laws and regulations to conduct an external audit of DHL's compliance with U.S. export control laws and regulations. Specifically, the audit shall consist of:

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<sup>5</sup> This penalty amount is being paid as part of the resolution of both the charges alleged by BIS in the Proposed Charging Letter and the violations alleged by OFAC in the Prepenalty Notice and DHL Response referenced in note 3, *supra*.

a. An assessment of DHL's compliance with U.S. export control laws and regulations regarding all of DHL's exports or reexports to Iran, Syria, and Sudan that are subject to the EAR or to OFAC Regulations or both.

b. The first external audit shall cover the time period of March 31, 2007 through December 31, 2009. Annual calendar year audits shall be conducted for 2010 and 2011. Said audit shall be in substantial compliance with the requirements set out in the Export Management and Compliance Program audit module, which is available from the BIS website at [http://www.bis.doc.gov/complianceand enforcement/emcp\\_audit.pdf](http://www.bis.doc.gov/complianceand enforcement/emcp_audit.pdf), and shall include an assessment of DHL's compliance with OFAC Regulations and the EAR, including, but not limited to, the requirements set forth in Part 762 of the EAR. In addition, where said audit identifies actual or potential violations of the EAR or OFAC Regulations regarding shipments and transactions to Iran, Sudan, or Syria, DHL must promptly provide copies of the pertinent air waybills and other supporting documentation.

c. DHL will send a complete copy of the audit reports, and accompanying air waybills and documentation, by January 31st of the year following the time period for which the audit was conducted. A copy of said audit report shall be transmitted to the Office of Export Enforcement, U.S. Department of Commerce, Office of Export Enforcement, 200 E. Las Olas Blvd., Suite 2060, Fort Lauderdale, FL 33301.

FIFTH, that the Proposed Charging Letter, the Settlement Agreement, and this Order shall be made available to the public.

Order  
DPWN Holdings (USA), Inc.  
DHL Express (USA), Inc.  
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This Order, which constitutes the final BIS action in this matter, is effective immediately.



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Kevin Delli-Colli  
Acting Assistant Secretary of Commerce  
for Export Enforcement

Entered this 6<sup>th</sup> day of August, 2009.

## SETTLEMENT AGREEMENT

This settlement agreement (the "Agreement") is made by and between the Office of Foreign Assets Control, U.S. Department of the Treasury (OFAC) and the Bureau of Industry and Security, U.S. Department of Commerce (BIS), and DPWN Holdings (USA), Inc. (formerly known as DHL Holdings (USA), Inc.) and DHL Express (USA), Inc. (collectively, "DHL"). OFAC, BIS, and DHL are hereinafter collectively referred to as the "Parties."

WHEREAS, BIS, pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420) (EAA),<sup>1</sup> administers the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2009)) (EAR);<sup>2</sup>

WHEREAS, OFAC, pursuant to the authority provided under the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-1706 (IEEPA), administers the Iranian Transactions Regulations, 31 C.F.R. Part 560 (ITR), the Sudanese Sanctions Regulations, 31 C.F.R. Part 538 (SSR), and the Reporting, Procedures and Penalties Regulations, 31 C.F.R. Part 501 (RPPR, and together with the ITR and SSR, collectively referred to herein as the "OFAC Regulations");

WHEREAS, on October 2, 2008, OFAC sent DHL a Prepenalty Notice, attached hereto as Exhibit A and identified by FAC Number IA-432831 (the "Prepenalty Notice"), containing allegations that DHL violated the OFAC Regulations. Specifically, OFAC alleged:

1. From on or about December 17, 2002, to on or about March 30, 2007, DHL appears to have exported or attempted to export four unlicensed shipments of merchandise from the United States to Sudan in violation of §§ 538.205, 538.206, and/or 538.211 of the SSR, and 63 unlicensed shipments of merchandise from the United States to Iran in violation of §§ 560.203, 560.204, and/or 560.206 of the ITR, and imported one unlicensed shipment of merchandise from Iran to the United States in violation of §§ 560.201 and 560.206 of the ITR.

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<sup>1</sup> Since August 21, 2001, the EAA 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 most recently by the Notice of July 23, 2008 (73 Fed. Reg. 43,603 (July 25, 2008)), has continued the EAR in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707).

<sup>2</sup> The violations alleged in BIS's proposed charging letter occurred in 2004. The governing provisions of the EAR are found in the 2004 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2004)). The 2009 version of the EAR establishes the procedures that apply to the BIS administrative proceeding.

2. For 32,228 exports to Iran between August 15, 2002, and April 17, 2006, DHL did not maintain records describing what it shipped to Iran, in violation of § 560.601 of the ITR and § 501.601 of the RPPR.

WHEREAS, in response to the Prepenalty Notice, DHL produced new information on January 16, 2009 (the "DHL Response"), concerning its transactions involving Iran between August 15, 2002 and April 21, 2006, which appears to show that DHL committed a total of 309 violations of the ITR, four violations of the SSR, and more than 9,000 violations of the RPPR. (The apparent violations of the OFAC Regulations described in the Prepenalty Notice, together with the apparent violations disclosed in the DHL Response, are hereinafter collectively referred to as the "OFAC Allegations.")

WHEREAS, BIS has notified DHL of its intention to initiate an administrative proceeding against DHL, pursuant to the EAA and the EAR, and has issued a Proposed Charging Letter, attached hereto as Exhibit B, alleging 98 violations of the EAR (the "BIS Allegations"). Specifically, BIS alleged:

**Charges 1 - 90            15 C.F.R. § 764.2(i): Failure to comply with recordkeeping requirements**

In connection with 90 export transactions from the United States to Syria that occurred between on or about May 15, 2004, and on or about November 4, 2004, DHL failed to retain air waybills and other export control documents, as defined in Part 772 of the EAR, that DHL was required to retain pursuant to Section 762.2 of the EAR. In so doing, DHL committed 90 violations of Section 764.2(i) of the EAR.

**Charges 91 - 98            15 C.F.R. § 764.2(b): Causing, aiding or abetting the export of items subject to the EAR to Syria without the required licenses**

On eight occasions between on or about June 15, 2004 and on or about September 20, 2004, DHL caused, aided, and abetted acts prohibited by the EAR when it transported items subject to the EAR from the United States to Syria without the required Department of Commerce licenses. The export from the United States to Syria of these items without the required licenses was prohibited under General Order No. 2, set forth in Supplement No. 1 to Part 736 of the EAR. In so doing, DHL committed eight violations of Section 764.2(b) of the EAR.

WHEREAS, DHL has reviewed the OFAC Allegations and BIS Allegations, and is aware of the civil sanctions that could be imposed against it if such allegations are found to be true;

WHEREAS, DHL fully understands the terms of this Agreement and the proposed BIS Order attached hereto as Exhibit D, and that this Agreement shall serve as the final resolution of the OFAC Allegations and the BIS Allegations;

WHEREAS, DHL enters into this Agreement voluntarily and with full knowledge of its rights;

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

WHEREAS, DHL neither admits nor denies the allegations contained in the Prepenalty Notice and the Proposed Charging Letter; and

WHEREAS, DHL desires to settle the OFAC Allegations and the BIS Allegations and agrees to be bound by this Agreement and the BIS Order, if entered;

NOW THEREFORE, pursuant to the authority under section 766.18 of the EAR and the OFAC Regulations, the Parties hereby agree as follows:

1. OFAC has jurisdiction over DHL and the transactions described in the OFAC Allegations, and BIS has jurisdiction over DHL and the items and the export transactions described in the BIS Allegations.
2. The following sanctions shall be imposed against DHL in complete settlement of the OFAC Allegations and the BIS Allegations:
  - a. DHL shall be assessed a civil penalty of \$9,444,744, which shall be paid to the U.S. Department of the Treasury within 30 days of the date the BIS Order is issued by the Assistant Secretary of Commerce for Export Enforcement. Payment must be made either by an electronic funds transfer in accordance with the attached "Electronic Funds Transfer (EFT) Instructions" or by cashier's or certified check or money order payable to the "U.S. Treasury" and referencing FAC Number IA-432831.
  - 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 BIS export license, permission, or privilege granted, or to be granted, to DHL. Failure to make full and timely payment of the civil penalty set forth above may result in the denial by BIS of all of DHL's export privileges for a period of one year from the date of imposition of the penalty.
  - c. DHL shall hire an unaffiliated third-party consultant with expertise in U.S. export control laws and sanctions regulations to conduct external audits, as described below, of DHL's compliance with U.S. export control laws and sanctions regulations (including recordkeeping requirements) with respect to all exports or re-exports to Iran, Syria and Sudan that are subject to the EAR or to OFAC Regulations or both. The first external audit shall cover the time period of March 31, 2007 through December 31, 2009. Annual calendar year audits shall be conducted for 2010 and 2011. Said audit shall be in substantial compliance

with the requirements set out in the Export Management and Compliance Program audit module, which is available from the BIS website at [http://www.bis.doc.gov/complianceand enforcement/emcp\\_audit.pdf](http://www.bis.doc.gov/complianceand enforcement/emcp_audit.pdf), and shall include an assessment of DHL's compliance with OFAC Regulations and the EAR, including, but not limited to, the requirements set forth in Part 762 of the EAR. In addition, where said audit identifies actual or potential violations of the EAR or OFAC Regulations regarding shipments and transactions to Iran, Sudan, or Syria, DHL must promptly provide copies of the pertinent air waybills and other supporting documentation to OFAC and BIS as described below. DHL will send a complete copy of the audit reports, and accompanying air waybills and documentation, to BIS and OFAC at the addresses specified below, by January 31st of the year following the time period for which the audit was conducted:

U.S. Department of Commerce  
Office of Export Enforcement  
200 E. Las Olas Blvd., Suite 2060  
Fort Lauderdale, FL 33301

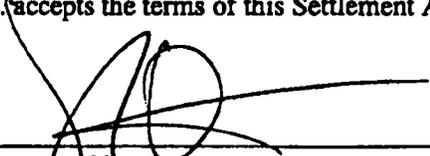
Office of Foreign Assets Control  
Special Investigations Section  
U.S. Department of the Treasury  
1500 Pennsylvania Ave., NW  
Washington, DC 20220

3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, DHL hereby waives any claim by or on behalf of DHL, whether asserted or unasserted, against OFAC, the U.S. Department of the Treasury, and/or its officials and employees, and/or against BIS, the U.S. Department of Commerce, and/or its officials and employees, arising out of the facts and circumstances giving rise to the matters that resulted in this Agreement, including, but not limited to, OFAC's investigation of the facts and circumstances giving rise to the OFAC Allegations and OFAC's issuance of the Prepenalty Notice, as well as BIS's investigation of the facts and circumstances giving rise to the BIS Allegations and BIS's issuance of the Proposed Charging Letter. DHL also hereby waives any possible legal objection to this Agreement at any future date and all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the BIS Order, if entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any proposed charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.
4. Upon entry of the BIS Order and full and timely payment of the \$9,444,744 civil penalty, (a) OFAC will not initiate any enforcement action or further administrative proceeding against DHL in connection with any violation of OFAC Regulations arising out of the transactions specifically detailed in the OFAC

Allegations; and (b) BIS will not initiate any further administrative proceeding against DHL in connection with any violation of the EAA or the EAR arising out of the transactions specifically detailed in the BIS Allegations.

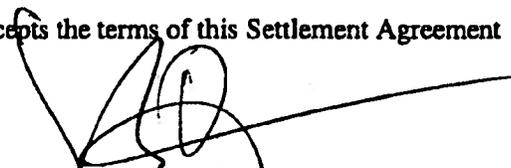
5. This Agreement expresses the complete understanding of the Parties regarding resolution of the OFAC Allegations and the BIS Allegations. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the BIS Order, if entered. This Agreement shall not 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.
6. OFAC may, in its sole discretion, post the facts of this Agreement, including the identity of any entity involved, the settlement amount, and a brief description of the OFAC Allegations substantially in the form attached as Exhibit C, on OFAC's website. BIS will make the Proposed Charging Letter, this Agreement, and the BIS Order, if entered, available to the public. BIS and OFAC may also issue a joint press release or separate press releases relating to this matter, the contents of which will be determined by BIS and OFAC in their discretion.
7. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the BIS Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the EAR, 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.
8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the BIS Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record. If the Agreement is so approved and the BIS Order so entered, this Agreement shall inure to the benefit of and be binding on each party, as well as its respective successors or assigns.
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.

Respondent DPWN Holdings (USA), Inc. accepts the terms of this Settlement Agreement this 2<sup>nd</sup> day of August, 2009.

  
\_\_\_\_\_  
Jon Olin, Esq.  
Senior Vice President  
DPWN Holdings (USA), Inc.

Please check this box if you have not enclosed payment with this Agreement and will instead be paying or have paid by electronic funds transfer (see paragraph 2(a) and the electronic funds transfer instructions attached to the Agreement).

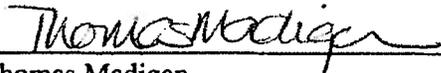
Respondent DHL Express (USA), Inc. accepts the terms of this Settlement Agreement this 3<sup>rd</sup> day of August, 2009.

  
\_\_\_\_\_  
Jon Olin, Esq.  
Senior Vice President  
DHL Express (USA), Inc.

Please check this box if you have not enclosed payment with this Agreement and will instead be paying or have paid by electronic funds transfer (see paragraph 2(a) and the electronic funds transfer instructions attached to the Agreement).

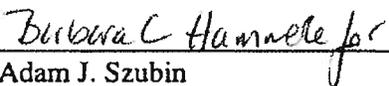
BUREAU OF INDUSTRY AND SECURITY  
U.S. DEPARTMENT OF COMMERCE

Date: August 4, 2009

  
\_\_\_\_\_  
Thomas Madigan  
Director  
Office of Export Enforcement  
Bureau of Industry and Security  
U.S. Department of Commerce

OFFICE OF FOREIGN ASSETS CONTROL  
U.S. DEPARTMENT OF THE TREASURY

Date: August 6, 2009

  
\_\_\_\_\_  
Adam J. Szubin  
Director  
Office of Foreign Assets Control  
U.S. Department of the Treasury

## EXHIBIT C

**DHL Settles Iranian Transactions Regulations; Sudanese Sanctions Regulations; Reporting, Procedures and Penalties Regulations; and Export Administration Regulations Allegations with OFAC and the Department of Commerce's Bureau of Industry and Security (BIS):** DPWN Holdings (USA), Inc. and DHL Express (USA), Inc. (collectively "DHL") has remitted \$9,444,744 to settle allegations of violations of the Iranian Transactions Regulations; Sudanese Sanctions Regulations; Reporting, Procedures and Penalties Regulations (collectively, the "OFAC Regulations") and the Export Administration Regulations ("EAR"). OFAC alleged that, between August 2002 and March 2007, DHL made numerous shipments to Iran and Sudan in violation of the OFAC Regulations and that the company failed to maintain records with respect to other shipments to those countries. BIS alleged that between May 15, 2004 and November 4, 2004, DHL made certain unlicensed exports to Syria in violation of the EAR and in connection with a number of other exports to Syria failed to retain air waybills and other export control documents in violation of the EAR. DHL did not voluntarily disclose this matter to OFAC or BIS.



1500 Pennsylvania Avenue, NW  
Washington, DC 20220

**Civil Penalties Division**  
Telephone 202.622.6140  
Facsimile: 202.622.5445  
ofaccivilpenalties@do.treas.gov

## **ELECTRONIC FUNDS TRANSFER (EFT) INSTRUCTIONS**

When remitting funds to the Department of the Treasury through an Electronic Funds Transfer (EFT), please provide the following information:

**ABA #:** 021030004 TREAS NYC

*Number that identifies the financial institution associated with funds transfer collection.*

**ALC #:** 20010001

*Internal account number for the Department of Treasury's Departmental Offices.*

**Comments:**

*Information that identifies the case associated with funds transfer.*

Questions may be directed to:

**Brad Keiser**

Telephone 202.622.1175  
ofm-cmp@do.treas.gov

U.S. Treasury Department  
Office of Financial Management  
Attn: Met Square, 6<sup>th</sup> Floor 1500 Pennsylvania Ave., NW  
Washington, DC 20220

**Please FAX a copy of the EFT payment confirmation advice to: (202) 622-5445**

Please comply with any additional terms set by OFM. Thank you for your cooperation in this matter.

# **EXHIBIT A**



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

FAC No.: IA-432831

DHL Holdings (USA), Inc.  
Attn: Jon E. Olin, EVP, Secretary & General Counsel  
1200 South Pine Island Road  
Plantation, FL 33324

OCT - 2 2008

**PREPENALTY NOTICE**

Dear Mr. Olin:

The Office of Foreign Assets Control ("OFAC") has reason to believe that DHL Holdings (USA), Inc. ("DHL") has engaged in certain prohibited transactions, detailed below, relating to Iran and Sudan and in violation of the Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"), the Sudanese Sanctions Regulations, 31 C.F.R. Part 538 (the "SSR"), and the Reporting, Procedures and Penalties Regulations, 31 C.F.R. Part 501 (the "RPPR"), all of which were promulgated under the International Emergency Economic Powers Act, 50 U.S.C. § 1701 *et seq.* ("IEEPA"). See 31 C.F.R. §§ 560.201, 560.204, 538.206, and 501.601.

**Apparent Violations**

The apparent violations for which this Prepenalty Notice ("Notice") is being issued involve DHL's transactions related to the importation and/or exportation of goods and/or services to or from Iran and Sudan. Specifically, the apparent violations are as follow:

- 1. From on or about December 17, 2002, to on or about March 30, 2007, DHL appears to have exported or attempted to export four unlicensed shipments of merchandise from the United States to Sudan in violation of §§ 538.205, 538.206, and/or 538.211 of the SSR, and 63 unlicensed shipments of merchandise from the United States to Iran in violation of §§ 560.203, 560.204, and/or 560.206 of the ITR, and imported one unlicensed shipment of merchandise from Iran to the United States in violation of §§ 560.201 and 560.206 of the ITR. These transactions are further detailed on Exhibit A.**
- 2. For 32,228 exports to Iran between August 15, 2002, and April 17, 2006, DHL did not maintain records describing what it shipped to Iran, in violation of § 560.601 of the ITR and § 501.601 of the RPPR.**

OFAC has considered all of the information in its possession related to the alleged violations, as discussed further below, and determined that a civil monetary penalty is the appropriate enforcement response.

**Proposed Penalty**

On October 16, 2007, the President signed into law the International Emergency Economic Powers Enhancement Act ("Enhancement Act"), Pub L. NO. 110-96, which, *inter alia*, increased the maximum civil penalty applicable to violations of orders or regulations issued under IIEPA to the greater of \$250,000 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed. The increased penalty amounts apply to violations with respect

to which enforcement action was pending or commenced on or after October 16, 2007. Notwithstanding this availability of higher maximum penalties, and as stated in OFAC's Civil Penalties – Interim Policy (November 27, 2007) (available at [www.treas.gov/ofac](http://www.treas.gov/ofac)), in those cases in which a party has agreed to a statute of limitations waiver where the statute of limitations would have otherwise expired prior to October 16, 2007 (the effective date of the Enhancement Act), OFAC will calculate the penalty amount in accordance with the maximum penalty amount applicable at the time the waiver was signed. As noted in the preamble to OFAC's recently published Economic Sanctions Enforcement Guidelines (73 *Fed. Reg.* 51933, 51934 (Sept. 8, 2008), OFAC's prior Enforcement Guidelines (68 *Fed. Reg.* 4422 (Jan. 29, 2003) (the "prior Enforcement Guidelines") will continue to apply to such cases. DHL entered into a Tolling Agreement for the alleged violations at issue in this Notice on August 15, 2007. Because at least one of DHL's alleged violations would have expired prior to October 16, 2007, OFAC has decided to treat all of the alleged violations under the lower pre-October 16, 2007, maximum penalties and the prior Enforcement Guidelines.

The prior Enforcement Guidelines provide that the proposed penalty for the sixty-eight alleged export and import-related transactions covered by Count 1 generally would be the transaction values of the exports and imports. OFAC notes, however, that DHL failed to keep adequate records for most of these shipments as well as for the vast majority of its other shipments, thereby precluding OFAC from determining the transaction values for those shipments. OFAC therefore has decided that the proposed penalty for each of these alleged violations should be at the then-applicable maximum statutory civil penalty amount. Sixty-six of the alleged violations covered by Count 1 occurred prior to March 9, 2006, when the maximum civil penalty was \$11,000; two of the alleged violations occurred after March 9, 2006, when the maximum civil penalty was \$50,000. Accordingly, OFAC's preliminary proposed penalty for the alleged violations covered by Count 1 is \$826,000.

The prior Enforcement Guidelines provide that the proposed penalty for the 32,228 alleged recordkeeping violations covered by Count 2 would be \$2,000 for the first alleged violation and \$10,000 for each additional alleged violation. The preliminary proposed penalty for the violations contained in Count 2, therefore, is \$322,272,000.

#### Analysis of Aggravating and Mitigation Factors:

Although the prior Enforcement Guidelines do not require consideration of aggravating and mitigating factors at this point in the civil penalty process, OFAC has decided to consider the aggravating and mitigating factors of which it is aware based on communications with DHL. OFAC is engaging in this analysis in this Notice due to the amount of information already before OFAC and the imminent expiration of the statute of limitations for some of the transactions at issue.

The aggravating and mitigating factors considered by OFAC are:

#### Aggravating Factors:

- DHL had reason to know that the conduct giving rise to the violations took place because it actually entered information concerning shipments to Iran and Sudan into its database;
- DHL may have conferred a significant economic benefit to sanctioned countries that potentially created extraordinarily adverse harm to sanctions program objectives;
- DHL did not have an effective OFAC compliance program in place at the time of the alleged violations; and
- DHL's alleged violations comprise a large pattern of misconduct over an extended period of time.

Mitigating Factors:

- DHL has cooperated with OFAC by providing relevant information regarding the apparent violations to the extent that such information existed;
- DHL has improved its OFAC compliance program since receiving OFAC's Cease and Desist Order dated April 17, 2006; and
- DHL agreed to a statute of limitations waiver.

After weighing these aggravating and mitigating factors, OFAC has determined that the mitigating and aggravating factors for Count 1 balance out. Therefore, the proposed penalty for Count 1 is \$826,000.

An additional and unique mitigating factor is present for the alleged violations covered by Count 2. Although DHL failed to keep adequate records in 32,228 instances, OFAC is aware that many of the underlying shipments for which adequate records were not kept may have been exports of informational materials, which were not prohibited by the ITR. OFAC has reason to believe that such shipments of informational materials may have made up as much as 90 percent or more of the shipments for which DHL failed to keep adequate records. In consideration of this unique mitigating factor along with the balancing of the aggravating and mitigating factors listed above, OFAC has determined that the preliminary proposed penalty for the alleged violations covered by Count 2 should be mitigated by 97 percent. The proposed penalty for Count 2 therefore is \$9,668,160. The total proposed aggregated penalty for Counts 1 and 2 is \$10,494,160.

OFAC may further adjust the final proposed penalty amount set forth above based on new evidence presented in any response by DHL to this Notice and/or any modification resulting from further review and reconsideration by OFAC.

Election of Proceedings

1. DHL has the right to provide a written response to OFAC within thirty days of the mailing of this Notice. Such written response to this Notice need not be in any particular form, but it should contain a response to the allegations herein, and set forth the reasons why the penalty should not be issued, or if issued, why the amount should be less than that proposed in this Notice, as well as provide any other information or evidence that DHL deems relevant to OFAC's consideration of this matter. DHL's response should be addressed to the Office of Foreign Assets Control (Attention: Elton Ellison, Civil Penalties), U.S. Department of the Treasury, 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220. A copy may also be faxed to fax number (202) 622-5445. You should retain a receipt or other evidence which shows the date you sent DHL's response to OFAC.

2. In the event that DHL elects not to respond within thirty days, OFAC will conclude that DHL has decided not to submit any new facts or explanations for our consideration. In such instance, OFAC generally will issue a Penalty Notice in accordance with § 560.705(b) of the ITR, § 538.704(b) of the SSR, and § 501.709(a) of the RPPR, finding a violation and assessing a monetary penalty.

3. Should DHL elect to resolve this matter absent any final agency finding of violation, DHL may initiate settlement negotiations by telephoning the OFAC staff member named below under "Contact Person" at any time before DHL is issued a Penalty Notice. If the negotiations result in settlement within the time period set forth in this Notice, DHL will not be required to make a written response to this Notice, which will be withdrawn without a formal determination of violation. In the event no settlement is reached, the period specified for written response to this Notice remains in effect unless additional time is granted by OFAC.

**Collection**

Section 560.706 of the ITR, § 538.705 of the SSR and § 501.746 of the RPPR provide that this matter may be referred for administrative collective measures by the Department of the Treasury or to the United States Department of Justice for collection if any penalty assessed is not paid within thirty days of the mailing of a Penalty Notice, should one be issued pursuant to § 560.705 of the ITR, § 538.704 of the SSR, and/or § 501.709 of the RPPR.

**Please note that 31 U.S.C. § 7701 requires that a person assessed a penalty by a Federal agency furnish a taxpayer identification number/Social Security Number. OFAC hereby discloses OFAC's intent to use such number for the purposes of collection and reporting on any delinquent penalty amount in the event of a failure to pay the penalty imposed.**

**Contact Person**

If DHL has any questions concerning this matter, please feel free to contact me at telephone number (202) 622-1628.

Sincerely,



Elton A. Ellison  
Assistant Director, Civil Penalties  
Office of Foreign Assets Control

EXHIBIT A			
SHIPPER	DATE OF EXPORT OR ATTEMPTED EXPORT	VERBATIM DESCRIPTION OF CONTENTS	COUNTRY
REDACTED	9/30/2002	ART SUPPLIES	IRAN
	10/14/2002	PET ACCESSORIES, CLOTHING,	IRAN
	11/1/2002	DOC & SAMPLE	IRAN
	11/5/2002	ALL NATURAL SUPPLEMENTS	IRAN
	11/6/2002	COMPUTER SOFTWARE	IRAN
	11/8/2002	SCALE RULER DRAWING	IRAN
	11/12/2002	COMPUTER SOFTWARE	IRAN
	12/10/2002	LAPEL PIN	IRAN
	1/3/2003	MEDICINE	IRAN
	5/15/2003	CLOTHING, FAMILY VIDEOS	IRAN
	5/15/2003	COLTHING, FAMILY VIDEOS	IRAN
	5/23/2003	1 DISTRIBUTOR KIT	IRAN
	9/19/2003	LABELS	IRAN
	9/24/2003	CLOTHES PERFUME MEDICINE	IRAN
	10/7/2003	CARD, REMOTE CONTROL CAR AND PHOTO'S	IRAN
	10/7/2003	MULTI PACK	IRAN
	10/7/2003	XRAY MRI	IRAN
	10/22/2003	PROTECTIVE COATINGS COMMERCIAL	IRAN
	10/30/2003	DOCUMENTS & NUTRITION SAMPLES	IRAN
	12/1/2003	LASER PRINTER PARTS	IRAN
	12/22/2003	SAMPLES, COSMETIC; VIDEOS; BROCHURE	IRAN
	1/29/2004	MUSCLE WRAP PRODUCT SAMPLES	IRAN
	1/30/2004	SAMPLES - NO COMMERCIAL VALUE	IRAN
	2/5/2004	NECKLACE TEDDY BEAR CARDS	IRAN
	2/6/2004	CONDOMS	IRAN
	2/12/2004	PAPER, BROCHURES, CLOTHES	IRAN
	2/12/2004	SOFTWARE	IRAN
	4/29/2004	FABRIC SAMPLES	IRAN
	5/5/2004	FIRST AID KIT, GENER	IRAN
	9/24/2004	SOFTWARE	IRAN
10/15/2004	FABRIC SAMPLES	IRAN	
11/15/2004	ELECTRONICS	SUDAN	
1/27/2005	RUG SAMPLES SKU 898237	IRAN	
2/28/2005	SAMPLES/CATALOG	IRAN	

REDACTED

3/8/2005	WATER-BASED COLORANTS	IRAN
3/21/2005	1 COMPANY T-SHIRT	IRAN
3/23/2005	1 COMPANY T-SHIRT	IRAN
3/23/2005	1 COMPANY T-SHIRT	IRAN
4/19/2005	ADULT/BABY CLOTHES,CANDLES,	IRAN
5/4/2005	MICRODERMABRASION	IRAN
5/4/2005	MICRODERMABRASION UNIT, ALUM OXIDE CRYST	IRAN
5/20/2005	TARA POWDER	IRAN
6/2/2005	GOMA TARA SAMPLES	IRAN
6/24/2005	DEALER PACKAGE	IRAN
7/1/2005	SHIRTS, MUGS AND PAPER PRODUCTS	IRAN
7/26/2005	LAPTOP COMPUTER	IRAN
10/12/2005	PLASTIC HINGES	IRAN
10/17/2005	2 COMPUTER LAPTOP	SUDAN
10/27/2005	MEDICAL GUIDEWIRE SAMPLES	IRAN
11/10/2005	DECOR FABRIC SAMPLES	IRAN
11/29/2005	DECOR FABRIC SAMPLE	IRAN
12/6/2005	COSMETICS PRODUCTS	IRAN
12/12/2005	MAGNETIC CARD READER	SUDAN
12/16/2005	COMPUTER SOFTWARE	IRAN
12/20/2005	WOOD PLAQUE	IRAN
12/28/2005	DECOR FABRIC SAMPLES	IRAN
1/11/2006	IPOD	IRAN
1/18/2006	COMPANY INFO AND SAMPLE [CBP found that the sample was paper for sonograms or other medical applications]	IRAN
1/24/2006	MEDICAL EQUIPMENT	IRAN
1/27/2006	AUTOMOBILE RADAR DETECTOR	IRAN
2/14/2006	AIR CONDITIONER COMPRESSOR PARTS	IRAN
2/27/2006	TIFFANY JEWELRY, ETC	IRAN
2/27/2006	WEBCAM, WATCH, HEALTH AND BEAUTY SUPPLIES	IRAN
2/27/2006	CAMERA, ETC.	IRAN
3/9/2006	DRIED CARP PITUITARY GLANDS	IRAN
3/13/2006	A/C PARTS	IRAN
12-27-06*	MUSICAL INSTRUMENTS [an import, not an export]	IRAN
03-30-07*	COMPUTER EQUIPMENT	SUDAN

\* these occurred after the IEEPA fines increased to \$50,000.

**EXHIBIT B**

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DPWN Holdings (USA), Inc.

and

DHL Express (USA), Inc.  
1200 South Pine Island Road  
Plantation, FL 33324

*Attention:* Jon Olin, Esq.  
Senior Vice President

Dear Mr. Olin:

The Bureau of Industry and Security, U. S. Department of Commerce (“BIS”), has reason to believe that DPWN Holdings (USA), Inc. (formerly known as DHL Holdings (USA), Inc.) and DHL Express (USA), Inc. (collectively, “DHL”) committed 98 violations of the Export Administration Regulations (the “EAR”),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979, as amended (the “EAA”).<sup>2</sup> Specifically, BIS charges that DHL committed the following violations:

**Charges 1 - 90      15 C.F.R. § 764.2(i): Failure to comply with recordkeeping requirements**

As described in greater detail in Schedule A of the attached Schedule of Violations, which is incorporated herein, in connection with 90 export transactions from the United States to Syria that occurred between on or about May 15, 2004, and on or about November 4, 2004, DHL failed to retain air waybills and other export control documents, as defined in Part 772 of the EAR, that DHL was required to retain pursuant to Section

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<sup>1</sup> The currently codified version of the EAR is found in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2009). The violations charged occurred in 2004. The EAR provisions governing the violations at issue are found in the 2004 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2004)). The 2009 version of the EAR governs the procedural aspects of this proceeding.

<sup>2</sup> 50 U.S.C. app. §§ 2401- 2420 (2000). Since August 21, 2001, the EAA 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 being that of July 23, 2008 (73 Fed. Reg. 43603 (July 25, 2008)), has continued the EAR in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”).

Proposed Charging Letter  
DPWN Holdings (USA), Inc.  
DHL Express (USA), Inc.

762.2 of the EAR. In so doing, DHL committed 90 violations of Section 764.2(i) of the EAR.

**Charges 91 - 98      15 C.F.R. § 764.2(b): Causing, aiding or abetting the export of items subject to the EAR to Syria without the required licenses**

As described in greater detail in Schedule B of the attached Schedule of Violations, which is incorporated herein, on eight occasions between on or about June 15, 2004, and on or about September 20, 2004, DHL caused, aided, and abetted acts prohibited by the EAR when it transported items subject to the EAR from the United States to Syria without the required Department of Commerce licenses. The export from the United States to Syria of these items without the required licenses was prohibited under General Order No. 2, set forth in Supplement No. 1 to Part 736 of the EAR. In so doing, DHL committed eight violations of Section 764.2(b) of the EAR.

\* \* \* \* \*

Accordingly, DHL is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the EAA and Part 766 of the EAR 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 the greater of \$250,000 per violation or twice the value of the transaction that is the basis of the violation;<sup>3</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

If DHL 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. (EAR, Sections 766.6 and 766.7). If DHL defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to DHL. 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.

DHL is hereby notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. (EAR, Section 766.6). DHL is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (EAR, Sections 766.3(a) and 766.4).

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<sup>3</sup> See International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

Proposed Charging Letter  
DPWN Holdings (USA), Inc.  
DHL Express (USA), Inc.

DHL is further notified that under the Small Business Regulatory Enforcement Flexibility Act, DHL may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.

The EAR provide for settlement without a hearing. (EAR, Section 766.18). Should DHL have a proposal to settle this case, DHL's representative should transmit it to the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, DHL's answer must be filed in accordance with the instructions in Section 766.5(a) of the EAR with:

U.S. Coast Guard ALJ Docketing Center  
40 S. Gay Street  
Baltimore, Maryland 21202-4022

In addition, a copy of DHL's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Adrienne Frazier, Esq.  
Room H-3839  
United States Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Adrienne Frazier is the attorney representing BIS in this case; any communications that DHL may wish to have concerning this matter should occur through her. She may be contacted by telephone at (202) 482-5301.

Sincerely,

Thomas Madigan  
Director  
Office of Export Enforcement

**DHL Schedule of Violations  
Schedule A**

<b>Charge</b>	<b>Date</b>	<b>DHL Air Waybill Number*</b>	<b>Violation</b>	<b>Records Not Retained</b>
1	5/15/2004	5873207513	Recordkeeping	Air Waybills & Other Export Control Documents
2	5/24/2004	7348518940	Recordkeeping	Air Waybills & Other Export Control Documents
3	5/24/2004	7371757444	Recordkeeping	Air Waybills & Other Export Control Documents
4	5/24/2004	7718925933	Recordkeeping	Air Waybills & Other Export Control Documents
5	5/24/2004	8039023624	Recordkeeping	Air Waybills & Other Export Control Documents
6	5/24/2004	9148493491	Recordkeeping	Air Waybills & Other Export Control Documents
7	5/27/2004	9171487216	Recordkeeping	Air Waybills & Other Export Control Documents
8	6/1/2004	3912678674	Recordkeeping	Air Waybills & Other Export Control Documents
9	6/4/2004	6705906966	Recordkeeping	Air Waybills & Other Export Control Documents
10	6/5/2004	7398515983	Recordkeeping	Air Waybills & Other Export Control Documents
11	6/5/2004	9179056213	Recordkeeping	Air Waybills & Other Export Control Documents
12	6/15/2004	8030924663	Recordkeeping	Air Waybills & Other Export Control Documents
13	6/16/2004	7327161111	Recordkeeping	Air Waybills & Other Export Control Documents
14	6/16/2004	9179882084	Recordkeeping	Air Waybills & Other Export Control Documents
15	6/17/2004	7325759862	Recordkeeping	Air Waybills & Other Export Control Documents
16	6/17/2004	9179882530	Recordkeeping	Air Waybills & Other Export Control Documents
17	6/24/2004	7348204850	Recordkeeping	Air Waybills & Other Export Control Documents
18	6/24/2004	9179883230	Recordkeeping	Air Waybills & Other Export Control Documents
19	6/28/2004	9197718073	Recordkeeping	Air Waybills & Other Export Control Documents

\*DHL failed to retain air waybills (AWB) for transactions described in Charges 1-90. The AWB numbers used in those charges are derived from DHL billing records and other DHL sources.

**DHL Schedule of Violations  
Schedule A**

<b>Charge</b>	<b>Date</b>	<b>DHL Air Waybill Number*</b>	<b>Violation</b>	<b>Records Not Retained</b>
20	6/29/2004	8053306365	Recordkeeping	Air Waybills & Other Export Control Documents
21	7/8/2004	7323640730	Recordkeeping	Air Waybills & Other Export Control Documents
22	7/8/2004	7337649911	Recordkeeping	Air Waybills & Other Export Control Documents
23	7/8/2004	9883838226	Recordkeeping	Air Waybills & Other Export Control Documents
24	7/9/2004	7285316975	Recordkeeping	Air Waybills & Other Export Control Documents
25	7/9/2004	9171489073	Recordkeeping	Air Waybills & Other Export Control Documents
26	7/13/2004	9190282065	Recordkeeping	Air Waybills & Other Export Control Documents
27	7/14/2004	7281395380	Recordkeeping	Air Waybills & Other Export Control Documents
28	7/15/2004	7906748942	Recordkeeping	Air Waybills & Other Export Control Documents
29	7/16/2004	7286935880	Recordkeeping	Air Waybills & Other Export Control Documents
30	7/21/2004	8689054555	Recordkeeping	Air Waybills & Other Export Control Documents
31	7/22/2004	7335362296	Recordkeeping	Air Waybills & Other Export Control Documents
32	7/22/2004	7338813215	Recordkeeping	Air Waybills & Other Export Control Documents
33	7/23/2004	9179015812	Recordkeeping	Air Waybills & Other Export Control Documents
34	7/25/2004	5379448476	Recordkeeping	Air Waybills & Other Export Control Documents
35	7/26/2004	7261305074	Recordkeeping	Air Waybills & Other Export Control Documents
36	7/31/2004	7345818745	Recordkeeping	Air Waybills & Other Export Control Documents
37	8/2/2004	6586264613	Recordkeeping	Air Waybills & Other Export Control Documents
38	8/2/2004	7135205523	Recordkeeping	Air Waybills & Other Export Control Documents

\*DHL failed to retain air waybills (AWB) for transactions described in Charges 1-90. The AWB numbers used in those charges are derived from DHL billing records and other DHL sources.

**DHL Schedule of Violations  
Schedule A**

<b>Charge</b>	<b>Date</b>	<b>DHL Air Waybill Number*</b>	<b>Violation</b>	<b>Records Not Retained</b>
39	8/2/2004	7906597576	Recordkeeping	Air Waybills & Other Export Control Documents
40	8/3/2004	8067670461	Recordkeeping	Air Waybills & Other Export Control Documents
41	8/6/2004	7316784101	Recordkeeping	Air Waybills & Other Export Control Documents
42	8/11/2004	8055654364	Recordkeeping	Air Waybills & Other Export Control Documents
43	8/11/2004	7906599072	Recordkeeping	Air Waybills & Other Export Control Documents
44	8/16/2004	7325761064	Recordkeeping	Air Waybills & Other Export Control Documents
45	8/18/2004	1760313962	Recordkeeping	Air Waybills & Other Export Control Documents
46	8/18/2004	3762609992	Recordkeeping	Air Waybills & Other Export Control Documents
47	8/18/2004	3806849060	Recordkeeping	Air Waybills & Other Export Control Documents
48	8/18/2004	3839588620	Recordkeeping	Air Waybills & Other Export Control Documents
49	8/18/2004	7361809630	Recordkeeping	Air Waybills & Other Export Control Documents
50	8/18/2004	8836779442	Recordkeeping	Air Waybills & Other Export Control Documents
51	8/25/2004	8837869703	Recordkeeping	Air Waybills & Other Export Control Documents
52	8/26/2004	4048148871	Recordkeeping	Air Waybills & Other Export Control Documents
53	8/26/2004	9212531440	Recordkeeping	Air Waybills & Other Export Control Documents
54	8/30/2004	5529505004	Recordkeeping	Air Waybills & Other Export Control Documents
55	9/3/2004	7328491660	Recordkeeping	Air Waybills & Other Export Control Documents
56	9/3/2004	8839407275	Recordkeeping	Air Waybills & Other Export Control Documents
57	9/3/2004	8839610776	Recordkeeping	Air Waybills & Other Export Control Documents

\*DHL failed to retain air waybills (AWB) for transactions described in Charges 1-90. The AWB numbers used in those charges are derived from DHL billing records and other DHL sources.

**DHL Schedule of Violations  
Schedule A**

<b>Charge</b>	<b>Date</b>	<b>DHL Air Waybill Number*</b>	<b>Violation</b>	<b>Records Not Retained</b>
58	9/7/2004	7328666236	Recordkeeping	Air Waybills & Other Export Control Documents
59	9/9/2004	7316688746	Recordkeeping	Air Waybills & Other Export Control Documents
60	9/9/2004	7338912431	Recordkeeping	Air Waybills & Other Export Control Documents
61	9/10/2004	7251357993	Recordkeeping	Air Waybills & Other Export Control Documents
62	9/10/2004	7286935714	Recordkeeping	Air Waybills & Other Export Control Documents
63	9/10/2004	8315264064	Recordkeeping	Air Waybills & Other Export Control Documents
64	9/13/2004	6509035724	Recordkeeping	Air Waybills & Other Export Control Documents
65	9/14/2004	8315265630	Recordkeeping	Air Waybills & Other Export Control Documents
66	9/17/2004	7273011060	Recordkeeping	Air Waybills & Other Export Control Documents
67	9/20/2004	7250442172	Recordkeeping	Air Waybills & Other Export Control Documents
68	9/21/2004	8842805985	Recordkeeping	Air Waybills & Other Export Control Documents
69	9/24/2004	7261169915	Recordkeeping	Air Waybills & Other Export Control Documents
70	9/25/2004	7349322643	Recordkeeping	Air Waybills & Other Export Control Documents
71	9/28/2004	7314389412	Recordkeeping	Air Waybills & Other Export Control Documents
72	9/28/2004	7333422935	Recordkeeping	Air Waybills & Other Export Control Documents
73	9/30/2004	7325760315	Recordkeeping	Air Waybills & Other Export Control Documents
74	9/30/2004	8250903474	Recordkeeping	Air Waybills & Other Export Control Documents
75	10/1/2004	7300613924	Recordkeeping	Air Waybills & Other Export Control Documents
76	10/6/2004	7339243225	Recordkeeping	Air Waybills & Other Export Control Documents

\*DHL failed to retain air waybills (AWB) for transactions described in Charges 1-90. The AWB numbers used in those charges are derived from DHL billing records and other DHL sources.

**DHL Schedule of Violations  
Schedule A**

<b>Charge</b>	<b>Date</b>	<b>DHL Air Waybill Number*</b>	<b>Violation</b>	<b>Records Not Retained</b>
77	10/6/2004	8845554782	Recordkeeping	Air Waybills & Other Export Control Documents
78	10/8/2004	7381830960	Recordkeeping	Air Waybills & Other Export Control Documents
79	10/9/2004	7338008156	Recordkeeping	Air Waybills & Other Export Control Documents
80	10/14/2004	7316871925	Recordkeeping	Air Waybills & Other Export Control Documents
81	10/20/2004	7338813285	Recordkeeping	Air Waybills & Other Export Control Documents
82	10/21/2004	8091632463	Recordkeeping	Air Waybills & Other Export Control Documents
83	10/22/2004	7338912346	Recordkeeping	Air Waybills & Other Export Control Documents
84	10/23/2004	7346253655	Recordkeeping	Air Waybills & Other Export Control Documents
85	10/26/2004	9323629431	Recordkeeping	Air Waybills & Other Export Control Documents
86	10/27/2004	6675819861	Recordkeeping	Air Waybills & Other Export Control Documents
87	10/28/2004	8846356046	Recordkeeping	Air Waybills & Other Export Control Documents
88	10/29/2004	7250400430	Recordkeeping	Air Waybills & Other Export Control Documents
89	10/29/2004	7390131125	Recordkeeping	Air Waybills & Other Export Control Documents
90	11/4/2004	7312391236	Recordkeeping	Air Waybills & Other Export Control Documents

\*DHL failed to retain air waybills (AWB) for transactions described in Charges 1-90. The AWB numbers used in those charges are derived from DHL billing records and other DHL sources.

**DHL Schedule of Violations  
Schedule B**

<b>Charge</b>	<b>Date</b>	<b>DHL Air Waybill Number</b>	<b>Violation</b>	<b>Description of Items</b>
91	6/15/2004	7842918075	Causing, aiding and abetting an unlicensed export	Water Purification Equipment
92	6/23/2004	8826130051	Causing, aiding and abetting an unlicensed export	Vehicle monitoring system
93	6/25/2004	8828526604	Causing, aiding and abetting an unlicensed export	Vehicle monitoring system
94	6/28/2004	8828469974	Causing, aiding and abetting an unlicensed export	Re-agent particles
95	7/8/2004	7887022415	Causing, aiding and abetting an unlicensed export	Cable charger
96	7/12/2004	8127246901	Causing, aiding and abetting an unlicensed export	Water Purification Equipment
97	9/3/2004	7659356950	Causing, aiding and abetting an unlicensed export	Designer eye glass frames (no lenses)
98	9/20/2004	8638140066	Causing, aiding and abetting an unlicensed export	Power supply parts

## **EXHIBIT C**

**This exhibit appears on page 8 of the settlement agreement.**

## **EXHIBIT D**

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

\_\_\_\_\_  
In the Matter of: )  
)  
DPWN Holdings (USA), Inc. )  
(f/k/a DHL Holdings (USA), Inc.) )  
1200 South Pine Island Road )  
Plantation, FL 33324, )  
)  
and )  
)  
DHL Express (USA), Inc. )  
1200 South Pine Island Road )  
Plantation, FL 33324, )  
)  
\_\_\_\_\_  
Respondents. )

ORDER RELATING TO DPWN HOLDINGS (USA), INC. AND  
DHL EXPRESS (USA), INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has initiated an administrative proceeding against DPWN Holdings (USA), Inc. (formerly known as DHL Holdings (USA), Inc.) and DHL Express (USA), Inc. (collectively, “DHL”), pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2009)) (“EAR”),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420) (the “EAA”),<sup>2</sup> through issuance of a Proposed Charging Letter to DHL that alleged that DHL committed 98 violations of the EAR. Specifically:

<sup>1</sup> The violations alleged by BIS occurred in 2004. The governing provisions of the EAR are found in the 2004 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2004)). The 2009 version of the EAR establishes the procedures that apply to the BIS administrative proceeding.

<sup>2</sup> Since August 21, 2001, the EAA 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 most recently by the Notice of July 23, 2008 (73 Fed. Reg. 43,603 (July 25, 2008)), has continued the EAR in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)).

**Charges 1 - 90      15 C.F.R. § 764.2(i): Failure to comply with recordkeeping requirements**

In connection with 90 export transactions from the United States to Syria that occurred between on or about May 15, 2004, and on or about November 4, 2004, DHL failed to retain air waybills and other export control documents, as defined in Part 772 of the EAR, that DHL was required to retain pursuant to Section 762.2 of the EAR. In so doing, DHL committed 90 violations of Section 764.2(i) of the EAR.

**Charges 91-98      15 C.F.R. § 764.2(b): Causing, aiding or abetting the export of items subject to the EAR to Syria without the required licenses**

On eight occasions between on or about June 15, 2004, and on or about September 20, 2004, DHL caused, aided, and abetted acts prohibited by the EAR when it transported items subject to the EAR from the United States to Syria without the required Department of Commerce licenses. The export from the United States to Syria of these items without the required licenses was prohibited under General Order No. 2, set forth in Supplement No. 1 to Part 736 of the EAR. In so doing, DHL committed eight violations of Section 764.2(b) of the EAR.

WHEREAS, BIS and DHL have entered into a Settlement Agreement pursuant to Section 766.18 of the EAR, whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein;<sup>3</sup> and

WHEREAS, I have approved of the terms of the Settlement Agreement;<sup>4</sup>

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<sup>3</sup> The Settlement Agreement also resolves allegations by the U.S. Department of Treasury, Office of Foreign Assets Control ("OFAC"), which is also a party to the Settlement Agreement, of apparent violations of the Iranian Transactions Regulations, 31 C.F.R. Part 560, the Sudanese Sanctions Regulations, 31 C.F.R. Part 538, and the Reporting, Procedures and Penalties Regulations, 31 C.F.R. Part 501 (collectively referred to herein as the "OFAC Regulations"). DHL's apparent violations of the OFAC Regulations are contained in an OFAC Prepenalty Notice that was issued by OFAC on or about October 2, 2008, identified as FAC Number IA-432831, as well as in correspondence from DHL to OFAC dated January 16, 2009 ("DHL Response").

<sup>4</sup> This Order signifies my approval of the Settlement Agreement based on the violations alleged in the Proposed Charging Letter, and not the OFAC Prepenalty Notice or DHL Response referenced in note 3, *supra*.

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$9,444,744 is assessed against DHL, which shall be paid to the U.S. Department of Treasury within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the Settlement Agreement.<sup>5</sup>

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), 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, DHL will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to DHL. Accordingly, if DHL should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of DHL's export privileges for a period of one year from the date of entry of this Order.

FOURTH, DHL shall hire an unaffiliated third-party consultant with expertise in U.S. export controls laws and regulations to conduct an external audit of DHL's compliance with U.S. export control laws and regulations. Specifically, the audit shall consist of:

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<sup>5</sup> This penalty amount is being paid as part of the resolution of both the charges alleged by BIS in the Proposed Charging Letter and the violations alleged by OFAC in the Prepenalty Notice and DHL Response referenced in note 3, *supra*.

a. An assessment of DHL's compliance with U.S. export control laws and regulations regarding all of DHL's exports or reexports to Iran, Syria, and Sudan that are subject to the EAR or to OFAC Regulations or both.

b. The first external audit shall cover the time period of March 31, 2007 through December 31, 2009. Annual calendar year audits shall be conducted for 2010 and 2011. Said audit shall be in substantial compliance with the requirements set out in the Export Management and Compliance Program audit module, which is available from the BIS website at [http://www.bis.doc.gov/complianceand enforcement/emcp\\_audit.pdf](http://www.bis.doc.gov/complianceand enforcement/emcp_audit.pdf), and shall include an assessment of DHL's compliance with OFAC Regulations and the EAR, including, but not limited to, the requirements set forth in Part 762 of the EAR. In addition, where said audit identifies actual or potential violations of the EAR or OFAC Regulations regarding shipments and transactions to Iran, Sudan, or Syria, DHL must promptly provide copies of the pertinent air waybills and other supporting documentation.

c. DHL will send a complete copy of the audit reports, and accompanying air waybills and documentation, by January 31st of the year following the time period for which the audit was conducted. A copy of said audit report shall be transmitted to the Office of Export Enforcement, U.S. Department of Commerce, Office of Export Enforcement, 200 E. Las Olas Blvd., Suite 2060, Fort Lauderdale, FL 33301.

FIFTH, that the Proposed Charging Letter, the Settlement Agreement, and this Order shall be made available to the public.

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DPWN Holdings (USA), Inc.  
DHL Express (USA), Inc.  
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This Order, which constitutes the final BIS action in this matter, is effective immediately.

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Kevin Delli-Colli  
Acting Assistant Secretary of Commerce  
for Export Enforcement

Entered this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DPWN Holdings (USA), Inc.

and

DHL Express (USA), Inc.  
1200 South Pine Island Road  
Plantation, FL 33324

*Attention:* Jon Olin, Esq.  
Senior Vice President

Dear Mr. Olin:

The Bureau of Industry and Security, U. S. Department of Commerce ("BIS"), has reason to believe that DPWN Holdings (USA), Inc. (formerly known as DHL Holdings (USA), Inc.) and DHL Express (USA), Inc. (collectively, "DHL") committed 98 violations of the Export Administration Regulations (the "EAR"),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979, as amended (the "EAA").<sup>2</sup> Specifically, BIS charges that DHL committed the following violations:

**Charges 1 - 90      15 C.F.R. § 764.2(i): Failure to comply with recordkeeping requirements**

As described in greater detail in Schedule A of the attached Schedule of Violations, which is incorporated herein, in connection with 90 export transactions from the United States to Syria that occurred between on or about May 15, 2004, and on or about November 4, 2004, DHL failed to retain air waybills and other export control documents, as defined in Part 772 of the EAR, that DHL was required to retain pursuant to Section

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<sup>1</sup> The currently codified version of the EAR is found in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2009). The violations charged occurred in 2004. The EAR provisions governing the violations at issue are found in the 2004 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2004)). The 2009 version of the EAR governs the procedural aspects of this proceeding.

<sup>2</sup> 50 U.S.C. app. §§ 2401- 2420 (2000). Since August 21, 2001, the EAA 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 being that of July 23, 2008 (73 Fed. Reg. 43603 (July 25, 2008)), has continued the EAR in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) ("IEEPA").

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DPWN Holdings (USA), Inc.  
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762.2 of the EAR. In so doing, DHL committed 90 violations of Section 764.2(i) of the EAR.

**Charges 91 - 98      15 C.F.R. § 764.2(b): Causing, aiding or abetting the export of items subject to the EAR to Syria without the required licenses**

As described in greater detail in Schedule B of the attached Schedule of Violations, which is incorporated herein, on eight occasions between on or about June 15, 2004, and on or about September 20, 2004, DHL caused, aided, and abetted acts prohibited by the EAR when it transported items subject to the EAR from the United States to Syria without the required Department of Commerce licenses. The export from the United States to Syria of these items without the required licenses was prohibited under General Order No. 2, set forth in Supplement No. 1 to Part 736 of the EAR. In so doing, DHL committed eight violations of Section 764.2(b) of the EAR.

\* \* \* \* \*

Accordingly, DHL is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the EAA and Part 766 of the EAR 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 the greater of \$250,000 per violation or twice the value of the transaction that is the basis of the violation;<sup>3</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

If DHL 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. (EAR, Sections 766.6 and 766.7). If DHL defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to DHL. 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.

DHL is hereby notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. (EAR, Section 766.6). DHL is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (EAR, Sections 766.3(a) and 766.4).

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<sup>3</sup> See International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

Proposed Charging Letter  
DPWN Holdings (USA), Inc.  
DHL Express (USA), Inc.

DHL is further notified that under the Small Business Regulatory Enforcement Flexibility Act, DHL may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.

The EAR provide for settlement without a hearing. (EAR, Section 766.18). Should DHL have a proposal to settle this case, DHL's representative should transmit it to the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, DHL's answer must be filed in accordance with the instructions in Section 766.5(a) of the EAR with:

U.S. Coast Guard ALJ Docketing Center  
40 S. Gay Street  
Baltimore, Maryland 21202-4022

In addition, a copy of DHL's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Adrienne Frazier, Esq.  
Room H-3839  
United States Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Adrienne Frazier is the attorney representing BIS in this case; any communications that DHL may wish to have concerning this matter should occur through her. She may be contacted by telephone at (202) 482-5301.

Sincerely,

Thomas Madigan  
Director  
Office of Export Enforcement

**DHL Schedule of Violations  
Schedule A**

<b>Charge</b>	<b>Date</b>	<b>DHL Air Waybill Number*</b>	<b>Violation</b>	<b>Records Not Retained</b>
1	5/15/2004	5873207513	Recordkeeping	Air Waybills & Other Export Control Documents
2	5/24/2004	7348518940	Recordkeeping	Air Waybills & Other Export Control Documents
3	5/24/2004	7371757444	Recordkeeping	Air Waybills & Other Export Control Documents
4	5/24/2004	7718925933	Recordkeeping	Air Waybills & Other Export Control Documents
5	5/24/2004	8039023624	Recordkeeping	Air Waybills & Other Export Control Documents
6	5/24/2004	9148493491	Recordkeeping	Air Waybills & Other Export Control Documents
7	5/27/2004	9171487216	Recordkeeping	Air Waybills & Other Export Control Documents
8	6/1/2004	3912678674	Recordkeeping	Air Waybills & Other Export Control Documents
9	6/4/2004	6705906966	Recordkeeping	Air Waybills & Other Export Control Documents
10	6/5/2004	7398515983	Recordkeeping	Air Waybills & Other Export Control Documents
11	6/5/2004	9179056213	Recordkeeping	Air Waybills & Other Export Control Documents
12	6/15/2004	8030924663	Recordkeeping	Air Waybills & Other Export Control Documents
13	6/16/2004	7327161111	Recordkeeping	Air Waybills & Other Export Control Documents
14	6/16/2004	9179882084	Recordkeeping	Air Waybills & Other Export Control Documents
15	6/17/2004	7325759862	Recordkeeping	Air Waybills & Other Export Control Documents
16	6/17/2004	9179882530	Recordkeeping	Air Waybills & Other Export Control Documents
17	6/24/2004	7348204850	Recordkeeping	Air Waybills & Other Export Control Documents
18	6/24/2004	9179883230	Recordkeeping	Air Waybills & Other Export Control Documents
19	6/28/2004	9197718073	Recordkeeping	Air Waybills & Other Export Control Documents

\*DHL failed to retain air waybills (AWB) for transactions described in Charges 1-90. The AWB numbers used in those charges are derived from DHL billing records and other DHL sources.

**DHL Schedule of Violations  
Schedule A**

<b>Charge</b>	<b>Date</b>	<b>DHL Air Waybill Number*</b>	<b>Violation</b>	<b>Records Not Retained</b>
20	6/29/2004	8053306365	Recordkeeping	Air Waybills & Other Export Control Documents
21	7/8/2004	7323640730	Recordkeeping	Air Waybills & Other Export Control Documents
22	7/8/2004	7337649911	Recordkeeping	Air Waybills & Other Export Control Documents
23	7/8/2004	9883838226	Recordkeeping	Air Waybills & Other Export Control Documents
24	7/9/2004	7285316975	Recordkeeping	Air Waybills & Other Export Control Documents
25	7/9/2004	9171489073	Recordkeeping	Air Waybills & Other Export Control Documents
26	7/13/2004	9190282065	Recordkeeping	Air Waybills & Other Export Control Documents
27	7/14/2004	7281395380	Recordkeeping	Air Waybills & Other Export Control Documents
28	7/15/2004	7906748942	Recordkeeping	Air Waybills & Other Export Control Documents
29	7/16/2004	7286935880	Recordkeeping	Air Waybills & Other Export Control Documents
30	7/21/2004	8689054555	Recordkeeping	Air Waybills & Other Export Control Documents
31	7/22/2004	7335362296	Recordkeeping	Air Waybills & Other Export Control Documents
32	7/22/2004	7338813215	Recordkeeping	Air Waybills & Other Export Control Documents
33	7/23/2004	9179015812	Recordkeeping	Air Waybills & Other Export Control Documents
34	7/25/2004	5379448476	Recordkeeping	Air Waybills & Other Export Control Documents
35	7/26/2004	7261305074	Recordkeeping	Air Waybills & Other Export Control Documents
36	7/31/2004	7345818745	Recordkeeping	Air Waybills & Other Export Control Documents
37	8/2/2004	6586264613	Recordkeeping	Air Waybills & Other Export Control Documents
38	8/2/2004	7135205523	Recordkeeping	Air Waybills & Other Export Control Documents

\*DHL failed to retain air waybills (AWB) for transactions described in Charges 1-90. The AWB numbers used in those charges are derived from DHL billing records and other DHL sources.

**DHL Schedule of Violations  
Schedule A**

<b>Charge</b>	<b>Date</b>	<b>DHL Air Waybill Number*</b>	<b>Violation</b>	<b>Records Not Retained</b>
39	8/2/2004	7906597576	Recordkeeping	Air Waybills & Other Export Control Documents
40	8/3/2004	8067670461	Recordkeeping	Air Waybills & Other Export Control Documents
41	8/6/2004	7316784101	Recordkeeping	Air Waybills & Other Export Control Documents
42	8/11/2004	8055654364	Recordkeeping	Air Waybills & Other Export Control Documents
43	8/11/2004	7906599072	Recordkeeping	Air Waybills & Other Export Control Documents
44	8/16/2004	7325761064	Recordkeeping	Air Waybills & Other Export Control Documents
45	8/18/2004	1760313962	Recordkeeping	Air Waybills & Other Export Control Documents
46	8/18/2004	3762609992	Recordkeeping	Air Waybills & Other Export Control Documents
47	8/18/2004	3806849060	Recordkeeping	Air Waybills & Other Export Control Documents
48	8/18/2004	3839588620	Recordkeeping	Air Waybills & Other Export Control Documents
49	8/18/2004	7361809630	Recordkeeping	Air Waybills & Other Export Control Documents
50	8/18/2004	8836779442	Recordkeeping	Air Waybills & Other Export Control Documents
51	8/25/2004	8837869703	Recordkeeping	Air Waybills & Other Export Control Documents
52	8/26/2004	4048148871	Recordkeeping	Air Waybills & Other Export Control Documents
53	8/26/2004	9212531440	Recordkeeping	Air Waybills & Other Export Control Documents
54	8/30/2004	5529505004	Recordkeeping	Air Waybills & Other Export Control Documents
55	9/3/2004	7328491660	Recordkeeping	Air Waybills & Other Export Control Documents
56	9/3/2004	8839407275	Recordkeeping	Air Waybills & Other Export Control Documents
57	9/3/2004	8839610776	Recordkeeping	Air Waybills & Other Export Control Documents

\*DHL failed to retain air waybills (AWB) for transactions described in Charges 1-90. The AWB numbers used in those charges are derived from DHL billing records and other DHL sources.

**DHL Schedule of Violations  
Schedule A**

<b>Charge</b>	<b>Date</b>	<b>DHL Air Waybill Number*</b>	<b>Violation</b>	<b>Records Not Retained</b>
58	9/7/2004	7328666236	Recordkeeping	Air Waybills & Other Export Control Documents
59	9/9/2004	7316688746	Recordkeeping	Air Waybills & Other Export Control Documents
60	9/9/2004	7338912431	Recordkeeping	Air Waybills & Other Export Control Documents
61	9/10/2004	7251357993	Recordkeeping	Air Waybills & Other Export Control Documents
62	9/10/2004	7286935714	Recordkeeping	Air Waybills & Other Export Control Documents
63	9/10/2004	8315264064	Recordkeeping	Air Waybills & Other Export Control Documents
64	9/13/2004	6509035724	Recordkeeping	Air Waybills & Other Export Control Documents
65	9/14/2004	8315265630	Recordkeeping	Air Waybills & Other Export Control Documents
66	9/17/2004	7273011060	Recordkeeping	Air Waybills & Other Export Control Documents
67	9/20/2004	7250442172	Recordkeeping	Air Waybills & Other Export Control Documents
68	9/21/2004	8842805985	Recordkeeping	Air Waybills & Other Export Control Documents
69	9/24/2004	7261169915	Recordkeeping	Air Waybills & Other Export Control Documents
70	9/25/2004	7349322643	Recordkeeping	Air Waybills & Other Export Control Documents
71	9/28/2004	7314389412	Recordkeeping	Air Waybills & Other Export Control Documents
72	9/28/2004	7333422935	Recordkeeping	Air Waybills & Other Export Control Documents
73	9/30/2004	7325760315	Recordkeeping	Air Waybills & Other Export Control Documents
74	9/30/2004	8250903474	Recordkeeping	Air Waybills & Other Export Control Documents
75	10/1/2004	7300613924	Recordkeeping	Air Waybills & Other Export Control Documents
76	10/6/2004	7339243225	Recordkeeping	Air Waybills & Other Export Control Documents

\*DHL failed to retain air waybills (AWB) for transactions described in Charges 1-90. The AWB numbers used in those charges are derived from DHL billing records and other DHL sources.

**DHL Schedule of Violations  
Schedule A**

<b>Charge</b>	<b>Date</b>	<b>DHL Air Waybill Number*</b>	<b>Violation</b>	<b>Records Not Retained</b>
77	10/6/2004	8845554782	Recordkeeping	Air Waybills & Other Export Control Documents
78	10/8/2004	7381830960	Recordkeeping	Air Waybills & Other Export Control Documents
79	10/9/2004	7338008156	Recordkeeping	Air Waybills & Other Export Control Documents
80	10/14/2004	7316871925	Recordkeeping	Air Waybills & Other Export Control Documents
81	10/20/2004	7338813285	Recordkeeping	Air Waybills & Other Export Control Documents
82	10/21/2004	8091632463	Recordkeeping	Air Waybills & Other Export Control Documents
83	10/22/2004	7338912346	Recordkeeping	Air Waybills & Other Export Control Documents
84	10/23/2004	7346253655	Recordkeeping	Air Waybills & Other Export Control Documents
85	10/26/2004	9323629431	Recordkeeping	Air Waybills & Other Export Control Documents
86	10/27/2004	6675819861	Recordkeeping	Air Waybills & Other Export Control Documents
87	10/28/2004	8846356046	Recordkeeping	Air Waybills & Other Export Control Documents
88	10/29/2004	7250400430	Recordkeeping	Air Waybills & Other Export Control Documents
89	10/29/2004	7390131125	Recordkeeping	Air Waybills & Other Export Control Documents
90	11/4/2004	7312391236	Recordkeeping	Air Waybills & Other Export Control Documents

\*DHL failed to retain air waybills (AWB) for transactions described in Charges 1-90. The AWB numbers used in those charges are derived from DHL billing records and other DHL sources.

**DHL Schedule of Violations  
Schedule B**

<b>Charge</b>	<b>Date</b>	<b>DHL Air Waybill Number</b>	<b>Violation</b>	<b>Description of Items</b>
91	6/15/2004	7842918075	Causing, aiding and abetting an unlicensed export	Water Purification Equipment
92	6/23/2004	8826130051	Causing, aiding and abetting an unlicensed export	Vehicle monitoring system
93	6/25/2004	8828526604	Causing, aiding and abetting an unlicensed export	Vehicle monitoring system
94	6/28/2004	8828469974	Causing, aiding and abetting an unlicensed export	Re-agent particles
95	7/8/2004	7887022415	Causing, aiding and abetting an unlicensed export	Cable charger
96	7/12/2004	8127246901	Causing, aiding and abetting an unlicensed export	Water Purification Equipment
97	9/3/2004	7659356950	Causing, aiding and abetting an unlicensed export	Designer eye glass frames (no lenses)
98	9/20/2004	8638140066	Causing, aiding and abetting an unlicensed export	Power supply parts