

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

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In the Matter of)
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Independent Freight International, LLC)
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Case No. 18-08

ORDER

The Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce (“BIS”), has notified Independent Freight International, LLC (“Independent”) of its intention to initiate an administrative proceeding pursuant to the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2020)) (the “Regulations”),¹ against Independent, a domestic concern, organized under the laws of the United States and doing business in the State of Illinois, based on allegations set forth in the Proposed Charging Letter, dated March 6, 2020, that Independent committed three violations of the Regulations.

¹ The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“the EAA”), which lapsed on August 21, 2001. The President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent of which was August 14, 2019 (84 Fed. Reg. 41881 (Aug. 15, 2019)), continued the Regulations in full force and effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.* (2012)) (“IEEPA”).

On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). The Anti-Boycott Act of 2018 is a subpart of ECRA. While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

Specifically, the Proposed Charging Letter alleged:

1. *Three 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:*

In connection with activities in the interstate or foreign commerce of the United States, as defined in Section 760.1(d) of the Regulations, during the period March 2016 through June 2018, on three occasions, Independent failed to report the receipt of a request to engage in a restrictive trade practice or boycott to the Department of Commerce.

BIS and Independent have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they have agreed to settle this matter in accordance with the terms and conditions set forth therein and the terms of the Settlement Agreement have been approved by me.

IT IS THEREFORE ORDERED THAT:

FIRST, a civil penalty of \$7,500 shall be assessed against Independent and shall be paid by Independent to the U.S. Department of Commerce in three installments (“installment payments”) of: \$2,500 not later than 30 days from the date of entry of this Order; \$2,500 not later than September 30, 2020; and \$2,500 not later than October 31, 2020. If any of the three installment payments is not fully and timely made, any remaining scheduled installment payments may become due and owing immediately.

Each of these installment payments shall be made in the manner specified in the attached Instructions.

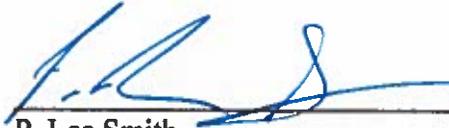
SECOND, pursuant to the Debt Collections Act of 1982, as amended (31 U.S.C. §§3701 – 3720E (2012)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice and, if any payment required under this Order is not made by the due date specified herein, Independent 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, Independent's compliance with the terms of the Settlement Agreement and this Order, as set forth above, including the full and timely payment of the civil penalty in accordance with the payment schedule 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 Independent.

Accordingly, if Independent should fail to pay the civil penalty in a full and timely manner or otherwise fail to comply in full with the terms of the Settlement Agreement or this Order, the undersigned may issue an order denying all of Independent's export privileges for a period of one year from the date of issuance of any such denial order.

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

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



P. Lee Smith
Performing the Non-exclusive Functions and Duties of the
Assistant Secretary of Commerce for Export Enforcement

Entered this 23 day of July, 2020

Attachments

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

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In the Matter of)
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Independent Freight International, LLC)
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Case No. 18-08

SETTLEMENT AGREEMENT

This Settlement Agreement is made by and between Independent Freight International, LLC (“Independent”), a domestic concern, organized under the laws of the United States and doing business in the State of Illinois, and the Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce (“BIS”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2020)) (the “Regulations”)¹.

¹ The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“the EAA”), which lapsed on August 21, 2001. The President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent of which was August 14, 2019 (84 Fed. Reg. 41881 (Aug. 15, 2019)), continued the Regulations in full force and effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.* (2012)) (“IEEPA”).

On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). The Anti-Boycott Act of 2018 is a subpart of ECRA. While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

WHEREAS, BIS has notified Independent of its intention to initiate an administrative proceeding against Independent pursuant to the Regulations² by issuing the Proposed Charging Letter dated March 6, 2020, a copy of which is attached hereto and incorporated herein by this reference;

WHEREAS, Independent 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;

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

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

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

² The violations alleged occurred during the years 2016 and 2018. The Regulations governing the violations at issue are found in the 2016 and 2018 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2016 and 2018)). The 2020 Regulations govern the procedural aspects of this matter.

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

WHEREAS, Independent agrees to be bound by the appropriate Order (“Order”), when entered;

NOW THEREFORE, Independent and BIS agree as follows:

1. Under the Regulations, BIS has jurisdiction over Independent with respect to the matters alleged in the Proposed Charging Letter.
2. In complete settlement of all matters set forth in the Proposed Charging Letter, BIS shall assess a civil penalty against Independent in the amount of \$7,500. Independent shall pay to the U.S. Department of Commerce, in accordance with the terms of the Order, when entered, the amount of \$ 7500 in three installments (“installment payments”) of: \$2,500 not later than 30 days from the date of entry of the Order; \$2,500 not later than September 30, 2020; and \$2,500 not later than October 31, 2020. If any of the three installment payments is not fully and timely made, any remaining scheduled installment payments may become due and owing immediately.
3. Compliance with the terms of this Settlement Agreement and the Order, when entered, including the full and timely payment of the civil penalty agreed to in

paragraph 2, above, is hereby made a condition of the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Independent. Failure to make full and timely payment of the civil penalty or to otherwise fail to comply fully with the terms of this Settlement Agreement and the Order, when entered, may result in the denial of all of Independent's export privileges for a period of one year from the date of issuance of any such denial order.

4. Subject to the approval of this Settlement Agreement, pursuant to paragraph 7 hereof, Independent 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 any civil penalty paid by Independent 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.

Independent also waives and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, in connection with any violation of the Regulations arising out of the transactions identified in the Proposed Charging Letter, or in connection with collection of the civil penalty or enforcement of this Settlement Agreement or the Order, when entered, from the date of entry of the

Order until the date Independent has paid in full the civil penalty agreed to in Paragraph 2, above.

5. BIS agrees that, upon compliance in full with the terms of this Settlement Agreement and the Order, when entered, BIS will not initiate any further administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against Independent with respect to any violation of 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. Independent understands that BIS will make the Proposed Charging Letter, this Settlement Agreement, and the Order, when entered, available to the public.
7. This Settlement Agreement is for settlement purposes only, and does not constitute an admission by Independent 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 of Commerce for Export Enforcement, BIS may not use this Settlement Agreement against Independent in any administrative or judicial proceeding, and BIS and Independent shall not be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.

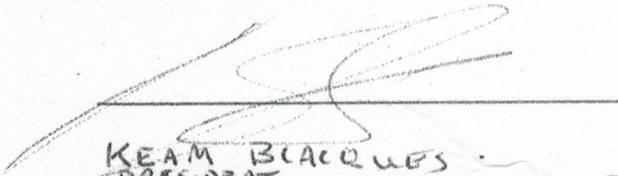
8. This Settlement Agreement constitutes and contains the entire agreement and understanding of BIS and Independent.

No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise alter or 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 Independent'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 shall become binding on BIS and Independent only when approved by the Assistant Secretary of Commerce for Export Enforcement by entering the Order, which shall have the same force and effect as a decision and Order issued after a full administrative hearing on the record.
10. Each signatory affirms that he has the authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

- 11. If any provision of this Settlement Agreement is found to be unlawful, only the specific provision in question shall be affected and the other provisions shall remain in full force and effect.

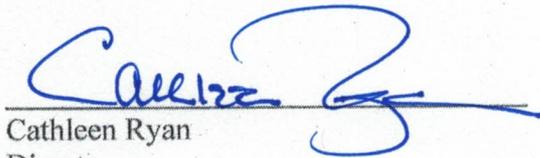
INDEPENDENT FREIGHT INTERNATIONAL, LLC



DATE: 07/16/2020

KEAM BLACQUES
PRESIDENT
INDEPENDENT FREIGHT INTL LLC

U.S. DEPARTMENT OF COMMERCE



DATE: 21 July 2020

Cathleen Ryan
Director
Office of Antiboycott Compliance

Attachment



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

PROPOSED CHARGING LETTER

March 6, 2020

Independent Freight International, LLC
149 Seegers Avenue
Elk Grove Village, IL 60007

Attention: Craig Giever
Vice President

Case No. 18-08

Gentlemen/Ladies:

We, the Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce ("BIS"), have reason to believe that you, Independent Freight International, LLC, on three occasions, have violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2020)) (the "Regulations")¹.

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

¹ The transactions and violations alleged occurred during the years 2016 through 2018. The Regulations governing the violations at issue are found in the 2016 through 2018 versions of the Code of Federal Regulations (15 C.F.R. Parts 730 – 774 (2016 through 2018)). The 2020 Regulations currently govern the procedural aspects of this matter.

The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601–4623 (Supp. III 2015) (available at <http://uscode.house.gov>) ("the EAA"), which lapsed on August 21, 2001. The President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent of which was August 14, 2019 (84 Fed. Reg. 41881 (Aug. 15, 2019)), continued the Regulations in full force and effect under the International Emergency Economic Powers Act, 50 U.S.C. § 1701, *et seq.* (2012) ("IEEPA").

On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801–4852 ("ECRA"). The Anti-Boycott Act of 2018 is a subpart of ECRA. While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of the date of enactment of ECRA (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.



We allege that:

You, Independent Freight International, LLC, are, and at all times relevant were, a domestic concern, organized under the laws of the United States and doing business in the State of Illinois. As such, you are a United States person, as defined in Section 760.1(b) of the Regulations.

During the period March 2016 through June 2018, you engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to Qatar 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 - 3 (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 March 2016 through June 2018, on three occasions, as described in Table A, which is attached and incorporated herein by this reference, 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.

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

By failing to report your receipts of these requests, described in Table A, as directed by Section 760.5 of the Regulations, you are in violation of Section 760.5. We therefore charge you with three 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.²

² The alleged violations occurred prior to August 13, 2018, the date of enactment of the ECRA. Consequently, the potential sanctions are provided for in the International Emergency Economic Powers Act.

Administrative sanctions may include any or all of the following:

- a. A maximum civil penalty of the greater of \$307,922 per violation or twice the value of the transaction that is the basis of the violation (see 15 C.F.R. § 6.3(b)(4), § 6.4). The amount is subject to annual increases pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Sec. 701 of Public Law 114-74, enacted on November 2, 2015 and 84 Fed. Reg. 2,447 (February 7, 2019) (See also International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007));
- b. Denial of export privileges (see §764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice before BIS (see §764.3(a)(3) of the Regulations).
- d. Any other liability, sanction, or penalty available under law.

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 one with your answer. You are entitled to be represented by counsel or other authorized representative who has power of attorney to represent you. *See* Sections 766.3(a) and 766.4 of the Regulations. You may also seek settlement without a hearing. *See* Section 766.18 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.³

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, we are 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 the 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 instructions in Section 766.5(b) of the Regulations, a copy of your answer should also be served on the Bureau of Industry and Security at the following address:

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

Sincerely,

Cathleen Ryan
Director
Office of Antiboycott Compliance

Enclosures

³ To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.

Schedule of Alleged Violations of Section 760.5
FAILURE TO REPORT RECEIPTS OF BOYCOTT REQUESTS

INDEPENDENT FREIGHT INTERNATIONAL, LLC
Case No. 18-08

Item #	File Reference #	Letter of Credit #	Date Request Received	Date Reporting Violation*	Boycotting Country	Boycott Request
1	S File # 8054	ILCCBQ062340/16	03/03/16	04/30/16	Qatar	46A: DOCUMENTS REQUIRED: 5) A CERTIFICATE FROM CARRIER OR AGENT OF THE CARRYING VESSEL SHOWING ITS NAME, FLAG AND NATIONALITY ALSO CONFIRMING THAT THE VESSEL IS PERMITTED TO ENTER ARAB PORTS.
2	S File # 8268	ACILC1601900	08/10/16	10/31/16	U.A.E.	46A: DOCUMENTS REQUIRED: 6 - A CERTIFICATE FROM THE CARRIER/MASTER OR THEIR AGENTS STATING THE NAME OF VESSEL... AND THE VESSEL IS PERMITTED TO ENTER DESTINATION PORTS.
3	S File # 9714	ILCCBQ069777/18	06/01/18	07/31/18	Qatar	46A: DOCUMENTS REQUIRED: 4): B) A CERTIFICATE FROM CARRIER OR AGENT OF THE CARRYING VESSEL SHOWING ITS NAME, FLAG AND NATIONALITY ALSO CONFIRMING THAT THE VESSEL IS PERMITTED TO ENTER ARAB PORTS.

* As provided in Section 760.5(b)(4)(i) of the Regulations, where the person receiving the request is a United States person located in the United States, each report of requests must be postmarked by the last day of the month following the calendar quarter in which the request was received.