

In the Matter of

Case No. 06-04

The Office of Antiboycott Compliance, Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), having determined to initiate an administrative proceeding pursuant to Section 11(c) of the Export Administration Act of 1979, as amended (50 U.S.C. §§ 2401-2420 (2000)) (the “Act”)¹ and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2009)) (the “Regulations”), against G M Daewoo Auto & Technology Company (“GMDAT”), a company registered under the laws of Korea and a majority-owned subsidiary of General Motors Company, a domestic concern resident in the State of Michigan, based on allegations set forth in the Proposed Charging Letter, dated August 7, 2009, that alleged that GMDAT committed 59 violations of the Regulations;

¹ Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent of which was August 13, 2009 (74 Fed. Reg. 41,325 (August 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707(2000)).

Specifically, the charges are:

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

During the period 2005 through 2006, GMDAT engaged in transactions involving the shipment of Korean origin goods to Libya and the sale and transfer of title to those goods to G M Overseas Distribution Corporation, a domestic concern, for resale through an Egyptian distributor to entities in Libya, activities in the interstate or foreign commerce of the United States, as defined in Section 760.1 (d) of the Regulations. In connection with these activities, GMDAT, with intent to comply with, further or support an unsanctioned foreign boycott, furnished to entities in Libya fifty-nine items of information concerning its or other persons' business relationships with/or in a boycotted country or with another person who is known or believed to be restricted from having any business relationship with or in a boycotting country, an activity prohibited by Section 760.2(d) of the Regulations, and not excepted.

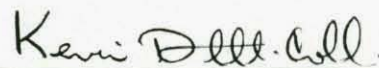
BIS and GMDAT having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby the parties have agreed to settle this matter in accordance with the terms and conditions set forth therein and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED THAT:

FIRST, a civil penalty of \$88,500 is assessed against GMDAT. Payment of this sum shall be suspended for a period of six months from the date of entry of this Order and thereafter shall be waived, provided that, during the period of suspension, GMDAT has committed no violations of the Act or the Regulations or this Order.

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

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



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

Entered this 8th day of January, 2010

¹ Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent of which was August 13, 2009 (74 Fed. Reg. 41,325 (August 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707(2000)).

WHEREAS, GMDAT has voluntarily disclosed to BIS information concerning certain of its transactions; and

WHEREAS, BIS has notified GMDAT of its intention to initiate an administrative proceeding against GMDAT pursuant to the Act and the Regulations by issuing the Proposed Charging Letter dated August 7, 2009, a copy of which is attached hereto and incorporated herein by this reference; and

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

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

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

NOW, THEREFORE, GMDAT and BIS agree as follows:

1. Under the Act and the Regulations, BIS has jurisdiction over GMDAT with respect to the matters alleged in the Proposed Charging Letter.
2. In complete settlement of the alleged violations of the Regulations relating to the transactions detailed in the voluntary self-disclosure and the Proposed Charging Letter, BIS shall impose a civil penalty in the amount of \$ 88,500, all of which shall be suspended for a period of six months from the date of entry of the Order and thereafter shall be waived, provided that, during the period of suspension, GMDAT has committed no violation of the Act or Regulations or the Order.
3. Subject to the approval of this Settlement Agreement, pursuant to paragraph 8 hereof, GMDAT hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or 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 funds paid by GMDAT 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.
4. BIS, upon entry of the Order, will not initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against GMDAT with respect to any violation of Section 8 of the Act or Part 760 of the Regulations arising out of the transactions set forth in the Proposed Charging Letter or any other transaction that was disclosed to or reviewed by BIS in the course of its investigation.
5. GMDAT understands that BIS will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the Order, when entered.

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

Therefore, if this Settlement Agreement is not accepted and the Order not entered by the Assistant Secretary for Export Enforcement, BIS may not use this Settlement Agreement against GMDAT in any administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the Order, when entered, nor shall this Settlement Agreement bind, constrain or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances herein addressed. This paragraph shall not limit GMDAT'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 4 of this Settlement Agreement.

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

G M DAEWOO AUTO & TECHNOLOGY COMPANY

Mike Arcand

DATE: DEC 3, 2009

Chief Executive Officer & Representative Director
GM Daewoo Auto & Technology Company

U.S. DEPARTMENT OF COMMERCE

EO Weant III

DATE: 1-8-10

Edward O. Weant III
Director
Office of Antiboycott Compliance

Attachment



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

PROPOSED CHARGING LETTER

August 7, 2009

G M Daewoo Auto & Technology Company
199-1 Cheongcheon - Dong
Bupyeong - GU
Incheon, Korea

Case No. 06-04

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, G M Daewoo Auto & Technology Company (Korea), have committed fifty-nine (59) violations of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2009)) (the "Regulations"),¹ which are issued under the authority of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the "Act").²

We charge that you committed fifty-nine (59) violations of Section 760.2(d) of the Regulations, in that, with intent to comply with, further or support an unsanctioned foreign boycott, you furnished fifty-nine (59) items of information about your or other persons' business relationships with or in a boycotted country or with another person who is known or believed to be restricted from having any business relationship with or in a boycotting country.

¹ The alleged violations occurred in 2005 to 2006. The Regulations governing the violations at issue are found in the 2005 and 2006 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2005 and 2006)) and define the violations that we allege occurred. The prior years' Regulations are substantially the same as the 2009 version of the Regulations which govern the procedural aspects of this case.

² Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent of which was July 23, 2008 (73 Fed. Reg. 43603 (July 25, 2008)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)).



We allege that:

General Motors Company ("General Motors") is, and at all times relevant was, a domestic concern resident in the State of Michigan and, as such, is a United States person as defined in Section 760.1(b) of the Regulations.

General Motors Overseas Distribution Corporation ("GM Overseas"), a wholly owned subsidiary of General Motors, is, and at all times relevant was, a domestic concern resident in the State of Michigan and, as such, is a United States person as defined in Section 760.1(b) of the Regulations.

You, GM Daewoo Auto and Technology Company ("GMDAT"), are, and at all times relevant were, a company registered under the laws of Korea and a majority-owned subsidiary of General Motors. Accordingly, you are a controlled-in-fact foreign subsidiary of a domestic concern as defined in Section 760.1(c) of the Regulations and, as such, are a United States person as defined in Section 760.1(b) of the Regulations.

Between April 2005 and January 2006, you, GMDAT, engaged in transactions involving the shipment of Korean-origin goods to Libya and the sale and transfer of title to those goods to GM Overseas, a domestic concern, for resale through an Egyptian distributor to entities in Libya, activities in the interstate or foreign commerce of the United States as defined in Section 760.1(d) of the Regulations.

Charges 1 - 59 (15 C.F.R. §760.2(d)-Furnishing information about Business Relationships with Boycotted Countries or Blacklisted Persons)

In connection with the activities referred to above, during the period April 2005 to January 2006, you furnished to entities in Libya fifty-nine (59) items of information, as described in Table A, which is attached and incorporated herein by this reference, about your and other persons' business relationships with or in a boycotted country or with another person who is known or believed to be restricted from having any business relationship with or in a boycotting country. Providing the information described in Table A, with intent to comply with, further or support an unsanctioned foreign boycott is an activity prohibited by Section 760.2(d) of the Regulations, and not excepted. We, therefore, charge you with fifty-nine (59) violations of Section 760.2(d).

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

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

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

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

As provided in Section 766.3, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between the Bureau of Industry and Security 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 matter 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

³ Administrative sanctions may include any or all the following:

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

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

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:

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

Sincerely,

Edward O. Weant, III
Director
Office of Antiboycott Compliance

Case 06-04
Table A
Schedule of Alleged Violations of Section 760.2(d)
Furnishing Prohibited Information

Item Number	Certificate Date	Certificate Number	Prohibited Information Furnished	Violation Number
1	April 2005	None	We hereby state that the carrying vessel...is allowed to enter the Libya ports.	1
2	April 27, 2005	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are not being exported from Israel.	2
			We hereby state that the carrying vessel...is allowed enter to Libyan ports [sic].	3
3	May 2005	14015074	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are not being exported from Israel.	4
			We hereby state that the carrying vessel...is allowed enter to Libyan ports [sic].	5
4	May 2005	14015076	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are not being exported from Israel.	6
			We hereby state that the carrying vessel...is allowed enter to Libyan ports [sic].	7

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Item Number	Certificate Date	Certificate Number	Prohibited Information Furnished	Violation Number
5	May 2005	14015072	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are not being exported from Israel.	8
			We hereby state that the carrying vessel...is allowed enter to Libyan ports [sic].	9
6	May 2005	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are not being exported from Israel.	10
			We hereby state that the carrying vessel...is allowed enter to Libyan ports [sic].	11
7	July 1, 2005	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are not being exported from Israel.	12
			We hereby state that the carrying vessel...is allowed enter to Libyan ports [sic].	13
8	July 1, 2005	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are not being exported from Israel.	14
			We hereby state that the carrying vessel...is allowed enter to Libyan ports [sic].	15

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Table A
Schedule of Alleged Violations of Section 760.2(d)
Furnishing Prohibited Information

Item Number	Certificate Date	Certificate Number	Prohibited Information Furnished	Violation Number
9	September 8, 2005	16050924	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	16
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	17
10	September 8, 2005	16050926	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	18
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	19
11	September 8, 2005	16050928	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	20
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	21
12	September 8, 2005	16050930	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	22
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	23

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Furnishing Prohibited Information

Item Number	Certificate Date	Certificate Number	Prohibited Information Furnished	Violation Number
13	September 8, 2005	16050932	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	24
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	25
14	September 8, 2005	16050934	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	26
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	27
15	September 8, 2005	16050936	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	28
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	29
16	September 8, 2005	16050938	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	30
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	31

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Schedule of Alleged Violations of Section 760.2(d)
Furnishing Prohibited Information

Item Number	Certificate Date	Certificate Number	Prohibited Information Furnished	Violation Number
17	September 8, 2005	16050940	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	32
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	33
18	September 8, 2005	16050942	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	34
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	35
19	September 8, 2005	16050944	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	36
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	37
20	October 6, 2005	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	38
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	39

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Schedule of Alleged Violations of Section 760.2(d)
Furnishing Prohibited Information

Item Number	Certificate Date	Certificate Number	Prohibited Information Furnished	Violation Number
21	October 6, 2005	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	40
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	41
22	October 6, 2005	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	42
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	43
23	October 6, 2005	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	44
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	45
24	December 6, 2005	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	46
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	47

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Schedule of Alleged Violations of Section 760.2(d)
Furnishing Prohibited Information

Item Number	Certificate Date	Certificate Number	Prohibited Information Furnished	Violation Number
25	December 6, 2005	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	48
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	49
26	December 6, 2005	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	50
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	51
27	December 6, 2005	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	52
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	53
28	January 17, 2006	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	54
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	55

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Table A
Schedule of Alleged Violations of Section 760.2(d)
Furnishing Prohibited Information

Item Number	Certificate Date	Certificate Number	Prohibited Information Furnished	Violation Number
29	January 17, 2006	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	56
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	57
30	January 17, 2006	None	We certify above goods are not of Israeli origin. They do not contain any Israeli material and they are no [sic] being exported from Israel.	58
			We hereby state that the carrying vessel...is allowed to enter the Libya ports [sic].	59