

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

)
)
)
In the Matter of)
)
Mitsui Plastics, Inc.)
)
)
_____)

Case No. 14-07

ORDER

The Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce (“BIS”), has determined to initiate an administrative proceeding pursuant to Section 11(c) of the Export Administration Act of 1979, as amended (50 U.S.C. §§4601-4623 (Supp III 2015)) (the “Act”)¹ and the Export Administration Regulations (currently codified at 15 C.F.R. Part 730 – 774 (2017)) (the “Regulations”), against Mitsui Plastics, Inc. (“Mitsui”), a domestic concern, organized under the laws of the United States and doing business in the State of New York, based on allegations set forth in the Proposed Charging Letter, dated December 18, 2017, that alleged that Mitsui committed nine 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 being that of August 15, 2017 (82 Fed. Reg. 39005 (Aug. 16, 2017)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq. (2000)).

Specifically, the charges are:

1. Two violations of 15 C.F.R. §760.2(d) – Furnishing Information about Business Relationships with Boycotted Countries or Blacklisted Persons:

During the period December 2010 through May 2011, Mitsui engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to Bahrain, 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, Mitsui, on two occasions, with intent to comply with further or support an unsanctioned foreign boycott, furnished information concerning another person's business relationships 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.

2. Seven violations of 15 C.F.R. §760.5 – Failing to Report the Receipt of a Request to Engage in a Restrictive Trade Practice or Foreign Boycott Against a Country Friendly to the United States:

During the period December 2010 through April 2011, Mitsui engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to Bahrain, 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, Mitsui, on seven occasions, received a request to take an action which would have the effect of furthering or supporting a restrictive trade practice or unsanctioned foreign boycott. Mitsui failed to report its receipts of these requests to the Department of Commerce, as directed by Section 760.5 of the Regulations.

BIS and Mitsui have 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 have been approved by me.

IT IS THEREFORE ORDERED THAT:

FIRST, a civil penalty of \$28,600 is assessed against Mitsui and shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment of this sum shall be made in the manner specified in the attached instructions.

SECOND, pursuant to the Debt Collections Act of 1982, as amended (31 U.S.C. §§3701 – 3720E (1983 and Supp. 2001)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice and, if payment is not made by the due date specified herein, Mitsui will be assessed, in addition to the full amount of the penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, the timely payment of the sum of \$28,600 is hereby made a condition to the granting, restoration or continuing validity of any export license, permission, or privilege granted, or to be granted, to Mitsui.

Accordingly, if Mitsui should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Mitsui's export privileges for a period of one year from the date of the entry of this Order.

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

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



Richard R. Majauskas
Deputy Assistant Secretary of Commerce for
Export Enforcement

Entered this 9th day of February, 2018

Attachments

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

)
)
)
In the Matter of)
)
Mitsui Plastics, Inc.)
)
)
_____)

Case No. 14-07

SETTLEMENT AGREEMENT

This agreement is made by and between Mitsui Plastics, Inc. (“Mitsui”), a domestic concern, organized under the laws of the United States and doing business in the State of New York, 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. Part 730 – 774 (2017)) (the “Regulations”) issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. §§4601 – 4623 (Supp III 2015)) (the “Act”)¹.

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 being that of August 15, 2017 (82 Fed. Reg. 39005 (Aug. 16, 2017)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq. (2000)).

WHEREAS, BIS has notified Mitsui of its intention to initiate an administrative proceeding against Mitsui pursuant to the Act and the Regulations by issuing the Proposed Charging Letter dated December 18, 2017, a copy of which is attached hereto and incorporated herein by this reference; and

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

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

NOW THEREFORE, Mitsui and BIS agree as follows:

1. Under the Act and the Regulations, BIS has jurisdiction over Mitsui with respect to the matters alleged in the Proposed Charging Letter.

2. BIS will impose a civil penalty in the amount of \$28,600. Mitsui will pay to the U.S. Department of Commerce, within 30 days from the date of entry of the Order, and in accordance with the terms of the Order, when entered, the amount of \$28,600 in complete settlement of all matters set forth in the Proposed Charging Letter.
3. The timely payment of the amount agreed to in paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Mitsui. Failure to make payment of this amount shall result in the denial of all of Mitsui's export privileges for a period of one year from the date of entry of the Order.
4. Subject to the approval of this Settlement Agreement, pursuant to paragraph 9 hereof, Mitsui hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the Order, when entered) including, without limitation, any right to:
 - A. An administrative hearing regarding the allegations in the Proposed Charging Letter;
 - B. Request a refund of the funds paid by Mitsui pursuant to this Settlement Agreement and the Order, when entered; or
 - C. Seek judicial review or otherwise contest the validity of this Settlement Agreement or the Order, when entered.

5. BIS, upon entry of the Order, will not initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against Mitsui with respect to any violation of Section 8 of the Act or Part 760 of the Regulations arising out of the transactions set forth in the Proposed Charging Letter or any other transaction that was disclosed to or reviewed by BIS in the course of its investigation.
6. Mitsui understands that BIS will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the Order, when entered.
7. This Settlement Agreement is for settlement purposes only, and does not constitute an admission by Mitsui 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 Mitsui in any administrative or judicial proceeding.
8. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the Order, when entered, nor shall this Settlement Agreement bind, constrain or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and

circumstances herein addressed. This paragraph shall not limit Mitsui's right to challenge any action brought by any other agency based on a referral by BIS or any employee thereof, in contravention of paragraph 5 of this Settlement Agreement.

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

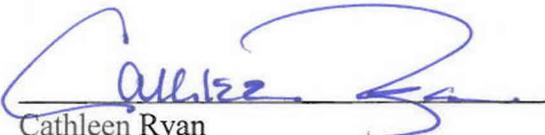
MITSUI PLASTICS, INC.



Naoto Kihara
Chief Compliance Officer

DATE: January 19th, 2018

U.S. DEPARTMENT OF COMMERCE



Cathleen Ryan
Director
Office of Antiboycott Compliance

DATE: 5 FEBRUARY 2018

Attachment



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

PROPOSED CHARGING LETTER

December 18, 2017

Mitsui Plastics, Inc.
10 Bank Street, Suite 1010
White Plains, NY 10606

Attention: Naota Kihara
Chief Compliance Officer

Case No. 14-07

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, Mitsui Plastics, Inc., on nine occasions, have violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2017)) (the “Regulations”)¹, which are issued under the authority of the Export Administration Act of 1979, as amended (50 U.S.C. §§4601-4623 (Supp III 2015)) (the “Act”)².

We charge that you committed two violations of Section 760.2(d) of the Regulations, in that, on two occasions, with intent to comply with, further or support an unsanctioned foreign boycott, you furnished information concerning another person’s business relationships with another person who is known or believed to be restricted from having any business relationship with or in a boycotting country.

We also charge that you committed seven violations of Section 760.5 of the Regulations, in that, on seven 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 2010 and 2011. The Regulations governing the violations at issue are found in the 2010 and 2011 versions of the Code of Federal Regulations (15 C.F.R. Parts 730 – 774 (2010 and 2011)). The prior years’ Regulations are substantially the same as the 2017 version of the Regulations which governs the procedural aspects of this matter.

² Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 15, 2017 (82 Fed. Reg. 39005 (Aug. 16, 2017)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq. (2000)).



We allege that:

You, Mitsui Plastics, Inc., 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 New York. As such, you are a United States person, as defined in Section 760.1(b) of the Regulations.

During the period December 2010 through May 2011, you engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to Bahrain, activities in the interstate or foreign commerce of the United States, as defined in Section 760.1(d) of the Regulations.

Charges 1 - 2 (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 May 2011, on two occasions, as described in Table A, which is attached and incorporated herein by this reference, you furnished to the intermediate consignee in Japan, information, concerning another person's business relationships 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 two violations of Section 760.2(d).

Charges 3 – 9 (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 December 2010 through April 2011, on seven occasions, as described in Table B, 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 B, as directed by Section 760.5 of the Regulations, you are in violation of Section 760.5. We therefore charge you with seven violations of Section 760.5 of the Regulations.

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

You are entitled to a hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for it with your answer. Under Sections 766.3(a) and 766.4 of the Regulations, you are entitled to be represented by counsel or other authorized representative who has power of attorney to represent you and, under Section 766.18 of the Regulations, you may also seek a settlement agreement without a hearing.

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

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

As provided in Section 766.3 of the Regulations, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between BIS and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with 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

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

- a. A maximum civil penalty of the greater of \$289,238 per violation or twice the value of the transaction that is the basis of the violation (see 15 C.F.R. §6.4(b)(4) and 81 Fed. Reg. 9532 (December 28, 2016)). 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. (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).

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 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

TABLE A

Schedule of Alleged Violations of Section 760.2(d)
**FURNISHING INFORMATION ABOUT BUSINESS RELATIONSHIPS
WITH BOYCOTTED COUNTRIES OR BLACKLISTED PERSONS**

MITSUI PLASTICS, INC.

Case No. 14-07

| Item | Transaction File(s) | Document Furnished | Date of Furnishing | Boycotting Country | Information Furnished |
|-------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|---|
| 1 | CONTRACT # CDH0018708 | SHIPPING CERTIFICATE | 05/23/11 | BAHRAIN | 2. THE VESSEL IS ALLOWED BY ARAB AUTHORITIES TO CALL AT ARABIAN PORTS... |
| 2 | CONTRACT # CDH0018170 | SHIPPING CERTIFICATE | 05/25/11 | BAHRAIN | III) THE VESSEL IS ALLOWED BY ARAB AUTHORITIES TO CALL AT ARABIAN PORTS... |

TABLE B

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

MITSUI PLASTICS, INC.
Case No. 14-07

| Item | Transaction Reference/Letter of Credit # | Date Request Received | Date Reporting Violation* | Boycotting Country | Boycott Request |
|------|--|-----------------------|---------------------------|--------------------|--|
| 1 | CONTRACT # CDH0015264 | 12/16/10 | 01/31/11 | BAHRAIN | REQUIRED DOCUMENT... 5) CERTIFICATE FROM THE SHIPPING COMPANY OR THEIR AGENTS STATING THAT...2. THE VESSEL IS ALLOWED BY ARAB AUTHORITIES TO CALL AT ARABIAN PORTS... |
| 2 | CONTRACT # CDH0015265 | 01/19/11 | 04/30/11 | BAHRAIN | REQUIRED DOCUMENT... 5) CERTIFICATE FROM THE SHIPPING COMPANY OR THEIR AGENTS STATING THAT...2. THE VESSEL IS ALLOWED BY ARAB AUTHORITIES TO CALL AT ARABIAN PORTS... |
| 3 | CONTRACT # CDH0017395 | 02/03/11 | 04/30/11 | BAHRAIN | REQUIRED DOCUMENT... 5) CERTIFICATE FROM THE SHIPPING COMPANY OR THEIR AGENTS STATING THAT...2. THE VESSEL IS ALLOWED BY ARAB AUTHORITIES TO CALL AT ARABIAN 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.

TABLE B

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

MITSUI PLASTICS, INC.

Case No. 14-05

| Item | Transaction Reference/Letter of Credit # | Date Request Received | Date Reporting Violation* | Boycotting Country | Boycott Request |
|------|--|-----------------------|---------------------------|--------------------|---|
| 4 | CONTRACT # CDH0017396 | 03/10/11 | 04/30/11 | BAHRAIN | REQUIRED DOCUMENT... 5) CERTIFICATE FROM THE SHIPPING COMPANY OR THEIR AGENTS STATING THAT...2. THE VESSEL IS ALLOWED BY ARAB AUTHORITIES TO CALL AT ARABIAN PORTS... |
| 5 | CONTRACT # CDH0017397 | 04/25/11 | 07/31/11 | BAHRAIN | REQUIRED DOCUMENT... 5) CERTIFICATE FROM THE SHIPPING COMPANY OR THEIR AGENTS STATING THAT...2. THE VESSEL IS ALLOWED BY ARAB AUTHORITIES TO CALL AT ARABIAN PORTS... |
| 6 | CONTRACT # CDH0018708 | 4/27/11 | 07/31/11 | BAHRAIN | REQUIRED DOCUMENT... 5) CERTIFICATE FROM THE SHIPPING COMPANY OR THEIR AGENTS STATING THAT...2. THE VESSEL IS ALLOWED BY ARAB AUTHORITIES TO CALL AT ARABIAN PORTS... |
| 7 | CONTRACT # CDH0018170 | 04/29/11 | 07/31/11 | BAHRAIN | DOCUMENTS REQUIRED... 5) CERTIFICATE FROM THE SHIPPING COMPANY OR THEIR AGENTS STATING THAT...III) THE VESSEL IS ALLOWED BY ARAB AUTHORITIES TO CALL AT ARABIAN 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.