

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

In the Matter of:)
)
Fred Khoroushi)
President and General Manager)
Alpine Armoring, Inc.)
570 Herndon Parkway, Suite 100)
Herndon, VA 20170)
)
Respondent)

ORDER RELATING TO FRED KHOROUSHI

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Fred Khoroushi, as President and General Manager of Alpine Armoring, Inc., in his individual capacity (“Khoroushi”) of its intention to initiate an administrative proceeding against Khoroushi pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (“Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),² by issuing a proposed charging letter to Khoroushi that alleged that Khoroushi committed nine violations of the Regulations. Specifically, the charges are:

¹ The charged violations occurred between 2002 and 2004. The Regulations governing the violations at issue are found in the 2002 through 2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2002-2004)). The 2006 Regulations set forth the procedures that apply to 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)), as extended most recently by the Notice of August 3, 2006 (71 Fed. Reg. 44551 (Aug. 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”).

Charge 1: 15 C.F.R. § 764.2(b): Causing, Aiding, or Abetting an Act Prohibited by the Regulations:

On one occasion on or about January 17, 2002, Khoroushi caused the doing of an act prohibited by the Regulations. Specifically, Khoroushi caused the export of ballistic helmets, classified as ECCN¹ 0A018, from the United States to Suriname, without the Department of Commerce license required by Section 742.4 of the Regulations. In so doing, Khoroushi committed one violation of Section 764.2(b) of the Regulations.

Charge 2: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the Regulations Was About to Occur:

In connection with the transaction described in Charge One, Khoroushi sold, transferred or forwarded items subject to the Regulations and exported from the United States with knowledge that a violation of the Regulations would occur. Specifically, Khoroushi sold, transferred or forwarded the ballistic helmets described in Charge One to a customer in Suriname when Khoroushi knew or had reason to know that these helmets would be exported from the United States to Suriname, without the required Department of Commerce license. Khoroushi had reason to know that a license was required for these exports since, *inter alia*, Khoroushi had previously informed Alpine's customers of the Department of Commerce license requirements applicable to Alpine's products. In so doing, Khoroushi committed one violation of Section 764.2(e) of the Regulations.

Charge 3: 15 C.F.R. § 764.2(a): Omission of an Export Control Classification Number on a Shipper's Export Declaration:

On or about January 17, 2002, Khoroushi refrained from engaging in conduct required by the Regulations. Specifically, Khoroushi filed or caused to be filed a Shipper's Export Declaration with the U.S. Government that omitted the Export Control Classification Number required by Section 758.1 of the Regulations. In so doing, Khoroushi committed one violation of Section 764.2(a) of the Regulations.

Charge 4: 15 C.F.R. § 764.2(g): Misrepresentation of License Authority on a Shipper's Export Declaration:

On or about January 17, 2002, Khoroushi made a false or misleading representation to the U.S. Government in violation of the Regulations. Specifically, Khoroushi filed or caused to be filed a Shipper's Export Declaration with the U.S. Government that stated that the export of ballistic helmets qualified for export from the United States to Suriname as NLR ("No License Required"). This statement was false or misleading because, as described in Charge One, a

¹ The term "ECCN" refers to an Export Control Classification Number. See Section 772.1 of the Regulations.

Department of Commerce license was required by Section 742.4 of the Regulations. By making this false or misleading representation to the U.S. Government, Khoroushi committed one violation of Section 764.2(g) of the Regulations.

Charge 5: 15 C.F.R. § 764.2(b): Causing, Aiding or Abetting an Act Prohibited by the Regulations:

On one occasion on or about June 21, 2002, Khoroushi caused the doing of an act prohibited by the Regulations. Specifically, Khoroushi caused the export of ten ballistic helmets, classified as ECCN 0A018, from the United States to Suriname, without the Department of Commerce license required by Section 742.4 of the Regulations. In so doing, Khoroushi committed one violation of Section 764.2(b) of the Regulations.

Charge 6: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the Regulations Was About to Occur:

In connection with the transaction described in Charge Five, Khoroushi sold, transferred or forwarded items subject to the Regulations and exported from the United States with knowledge that a violation of the Regulations would occur. Specifically, Khoroushi sold, transferred or forwarded thirty ballistic helmets to a customer in Suriname when Khoroushi knew or had reason to know that ten of these helmets would be exported from the United States to Suriname, without the required Department of Commerce license. Khoroushi knew or had reason to know that a violation of the Regulations would occur in connection with these items since, *inter alia*, Khoroushi knew that the U.S. manufacturer of the helmets had received a Department of Commerce license authorizing the export of only twenty helmets. In so doing, Khoroushi committed one violation of Section 764.2(e) of the Regulations.

Charge 7: 15 C.F.R. § 764.2(c): Attempting the Export of an Item without the Required License:

On one occasion on or about September 23, 2004, Khoroushi engaged in conduct prohibited by the Regulations by attempting to export armored vehicles, classified as ECCN 9A018, from the United States to Iraq, without the Department of Commerce license required by Section 746.3 of the Regulations. In so doing, Khoroushi committed one violation of Section 764.2(c) of the Regulations.

Charge 8: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the Regulations Was About to Occur:

In connection with the transaction described above in Charge Seven, Khoroushi sold, transferred, or forwarded items subject to the Regulations and exported from the United States with knowledge that a violation of the Regulations would occur. Specifically, Khoroushi sold armored vehicles to a U.S. company and transferred those armored vehicles to a port of export,

when Khoroushi knew or had reason to know that no U.S. Government authorization had been obtained for those armored vehicles. Khoroushi knew or had reason to know that U.S. Government authorization was required for this export since, *inter alia*, Khoroushi had received, prior to the attempted export, written notice from the Department of Commerce's Deputy Assistant Secretary for Export Administration informing Khoroushi that such authorization was required. In so doing, Khoroushi committed one violation of Section 764.2(e) of the Regulations.

Charge 9: 15 C.F.R. § 764.2(g): False Statement to a BIS Special Agent in the Course of an Investigation:

On or about December 14, 2004, Khoroushi made a false or misleading statement to officials of the U.S. Government in the course of an investigation conducted by BIS regarding the export of ballistic helmets and armored vehicles, items subject to the Regulations, to various countries without the required U.S. Government authorization. Specifically, in the course of an interview conducted by agents from BIS and from the Department of Homeland Security's Immigration and Customs Enforcement (ICE), Khoroushi represented that Alpine had not shipped an armored vehicle for which Alpine had obtained an export license. This representation was false or misleading, as Alpine had previously shipped the armored vehicle to the port of Long Beach in preparation for its eventual export. In making this false or misleading statement, Khoroushi committed one violation of Section 764.2(g) of the Regulations.

WHEREAS, BIS and Khoroushi have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, for a period five years from the date of entry of the Order, Fred Khoroushi, the President and General Manager of Alpine Armoring, Inc., 570 Herndon Parkway, Suite 100, Herndon, VA 20170, and when acting for or on behalf of Khoroushi, his representatives, agents, assigns or employees ("Denied Person") may not participate, directly or indirectly, in any way in any transaction involving any commodity, software or technology (hereinafter collectively

referred to as “item”) exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, License Exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
- C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

SECOND, that no person may, directly or indirectly, do any of the following:

- A. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Denied Person acquires or attempts to acquire such ownership, possession or control;
- C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Denied Person of any item subject to the Regulations that has been exported from the United States;

- D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
- E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by the Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

THIRD, that, to prevent evasion of this Order, BIS, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, may make any person, firm, corporation, or business organization related to Khoroushi by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services subject to the provisions of this Order.

FOURTH, that this Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

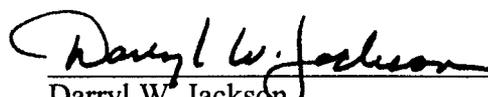
FIFTH, that, as authorized by Section 766.18 (c) of the Regulations, the denial period set forth above shall be suspended in its entirety for five years from the date of this Order, and shall thereafter be waived, provided that during the period of suspension, Khoroushi has committed no violation of the Act or any regulation, order or license issued thereunder.

SIXTH, that the proposed charging letter, the Settlement Agreement, and this Order shall

be made available to the public.

SEVENTH, that this Order shall be served on the Denied Person and on BIS, and shall be published in the *Federal Register*.

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



Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 6th day of April 2007.

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

In the Matter of:)
)
Fred Khoroushi)
President and General Manager)
Alpine Armoring, Inc.)
570 Herndon Parkway, Suite 100)
Herndon, VA 20170)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Fred Khoroushi, President and General Manager, of Alpine Armoring, Inc., in his individual capacity (“Khoroushi”), and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively referred to as “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (“Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”).²

WHEREAS, BIS has notified Khoroushi of its intention to initiate an administrative

¹ The charged violations occurred between 2002 and 2004. The Regulations governing the violations at issue are found in the 2002 through 2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2002-2004)). The 2006 Regulations set forth the procedures that apply to 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)), as extended by the Notice of August 3, 2006 (71 Fed. Reg. 44,551 (Aug. 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”).

proceeding against Khoroushi, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to Khoroushi that alleged that Khoroushi committed nine violations of the Regulations, specifically:

Charge 1: 15 C.F.R. § 764.2(b): Causing, Aiding, or Abetting an Act Prohibited by the Regulations:

On one occasion on or about January 17, 2002, Khoroushi caused the doing of an act prohibited by the Regulations. Specifically, Khoroushi caused the export of ballistic helmets, classified as ECCN¹ 0A018, from the United States to Suriname, without the Department of Commerce license required by Section 742.4 of the Regulations. In so doing, Khoroushi committed one violation of Section 764.2(b) of the Regulations.

Charge 2: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the Regulations Was About to Occur:

In connection with the transaction described in Charge One, Khoroushi sold, transferred or forwarded items subject to the Regulations and exported from the United States with knowledge that a violation of the Regulations would occur. Specifically, Khoroushi sold, transferred or forwarded the ballistic helmets described in Charge One to a customer in Suriname when Khoroushi knew or had reason to know that these helmets would be exported from the United States to Suriname, without the required Department of Commerce license. Khoroushi had reason to know that a license was required for these exports since, *inter alia*, Khoroushi had previously informed Alpine's customers of the Department of Commerce license requirements applicable to Alpine's products. In so doing, Khoroushi committed one violation of Section 764.2(e) of the Regulations.

Charge 3: 15 C.F.R. § 764.2(a): Omission of an Export Control Classification Number on a Shipper's Export Declaration:

On or about January 17, 2002, Khoroushi refrained from engaging in conduct required by the Regulations. Specifically, Khoroushi filed or caused to be filed a Shipper's Export Declaration with the U.S. Government that omitted the Export Control Classification Number required by Section 758.1 of the Regulations. In so doing, Khoroushi committed one violation of Section 764.2(a) of the Regulations.

¹ The term "ECCN" refers to an Export Control Classification Number. See Section 772.1 of the Regulations.

Charge 4: 15 C.F.R. § 764.2(g): Misrepresentation of License Authority on a Shipper's Export Declaration:

On or about January 17, 2002, Khoroushi made a false or misleading representation to the U.S. Government in violation of the Regulations. Specifically, Khoroushi filed or caused to be filed a Shipper's Export Declaration with the U.S. Government that stated that the export of ballistic helmets qualified for export from the United States to Suriname as NLR ("No License Required"). This statement was false or misleading because, as described in Charge One, a Department of Commerce license was required by Section 742.4 of the Regulations. By making this false or misleading representation to the U.S. Government, Khoroushi committed one violation of Section 764.2(g) of the Regulations.

Charge 5: 15 C.F.R. § 764.2(b): Causing, Aiding or Abetting an Act Prohibited by the Regulations:

On one occasion on or about June 21, 2002, Khoroushi caused the doing of an act prohibited by the Regulations. Specifically, Khoroushi caused the export of ten ballistic helmets, classified as ECCN 0A018, from the United States to Suriname, without the Department of Commerce license required by Section 742.4 of the Regulations. In so doing, Khoroushi committed one violation of Section 764.2(b) of the Regulations.

Charge 6: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the Regulations Was About to Occur:

In connection with the transaction described in Charge Five, Khoroushi sold, transferred or forwarded items subject to the Regulations and exported from the United States with knowledge that a violation of the Regulations would occur. Specifically, Khoroushi sold, transferred or forwarded thirty ballistic helmets to a customer in Suriname when Khoroushi knew or had reason to know that ten of these helmets would be exported from the United States to Suriname, without the required Department of Commerce license. Khoroushi knew or had reason to know that a violation of the Regulations would occur in connection with these items since, *inter alia*, Khoroushi knew that the U.S. manufacturer of the helmets had received a Department of Commerce license authorizing the export of only twenty helmets. In so doing, Khoroushi committed one violation of Section 764.2(e) of the Regulations.

Charge 7: 15 C.F.R. § 764.2(c): Attempting the Export of an Item without the Required License:

On one occasion on or about September 23, 2004, Khoroushi engaged in conduct prohibited by the Regulations by attempting to export armored vehicles, classified as ECCN 9A018, from the United States to Iraq, without the Department of Commerce license required by Section 746.3 of

the Regulations. In so doing, Khoroushi committed one violation of Section 764.2(c) of the Regulations.

Charge 8: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the Regulations Was About to Occur:

In connection with the transaction described above in Charge Seven, Khoroushi sold, transferred, or forwarded items subject to the Regulations and exported from the United States with knowledge that a violation of the Regulations would occur. Specifically, Khoroushi sold armored vehicles to a U.S. company and transferred those armored vehicles to a port of export, when Khoroushi knew or had reason to know that no U.S. Government authorization had been obtained for those armored vehicles. Khoroushi knew or had reason to know that U.S. Government authorization was required for this export since, *inter alia*, Khoroushi had received, prior to the attempted export, written notice from the Department of Commerce's Deputy Assistant Secretary for Export Administration informing Khoroushi that such authorization was required. In so doing, Khoroushi committed one violation of Section 764.2(e) of the Regulations.

Charge 9: 15 C.F.R. § 764.2(g): False Statement to a BIS Special Agent in the Course of an Investigation:

On or about December 14, 2004, Khoroushi made a false or misleading statement to officials of the U.S. Government in the course of an investigation conducted by BIS regarding the export of ballistic helmets and armored vehicles, items subject to the Regulations, to various countries without the required U.S. Government authorization. Specifically, in the course of an interview conducted by agents from BIS and from the Department of Homeland Security's Immigration and Customs Enforcement (ICE), Khoroushi represented that Alpine had not shipped an armored vehicle for which Alpine had obtained an export license. This representation was false or misleading, as Alpine had previously shipped the armored vehicle to the port of Long Beach in preparation for its eventual export. In making this false or misleading statement, Khoroushi committed one violation of Section 764.2(g) of the Regulations.

WHEREAS, Khoroushi has reviewed the proposed charging letter and is aware of the allegations made against him and the administrative sanctions which could be imposed against him if the allegations are found to be true;

WHEREAS, Khoroushi fully understands the terms of this Agreement and the Order

("Order") that the Assistant Secretary of Commerce for Export Enforcement will issue if he approves this Agreement as the final resolution of this matter;

WHEREAS, Khoroushi enters into this Agreement voluntarily and with full knowledge of his rights;

WHEREAS, the parties enter into this Agreement having taken into consideration the plea agreement that Khoroushi entered into with the U.S. Attorney for the Eastern District of Virginia in the related criminal case, United States v. Fred Khoroushi, Crim. Case No. 1:07cr95;

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

WHEREAS, Khoroushi neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, Khoroushi wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, Khoroushi agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Khoroushi, under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. The following sanction shall be imposed against Khoroushi in complete settlement of the violations of the Regulations set forth in the proposed charging letter:
 - a. For a period five years from the date of entry of the Order, Khoroushi, and, when acting for or on behalf of Khoroushi, his representatives, agents, assigns, or employees ("Denied Person") may not participate, directly or indirectly, in any

way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- i. Applying for, obtaining, or using any license, License Exception, or export control document;
 - ii. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
 - iii. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.
- b. BIS agrees that, as authorized by Section 766.18 (c) of the Regulations, the five year denial period set forth in paragraph 2.a. shall be suspended in its entirety for a period of five years from the entry of the appropriate Order, and shall thereafter be waived, provided that during the period of suspension, Khoroushi has committed no violation of the Act or any regulation, order or license issued thereunder.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Khoroushi hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if entered), including, without limitation, any

right to: (a) an administrative hearing regarding the allegations in any charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; (c) request any relief from the Order, if entered, including without limitation relief from the terms of a denial order under 15 C.F.R. § 764.3(a)(2); and (d) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. BIS agrees that, upon entry of the Order, it will not initiate any further administrative proceeding against Khoroushi in connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed charging letter.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.

6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, 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.

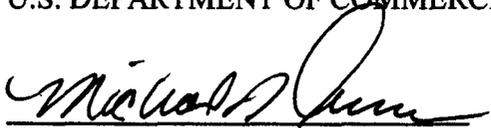
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on BIS only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same

force and effect as a decision and order issued after a full administrative hearing on the record.

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.

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


Michael D. Turner
Director

Office of Export Enforcement

Date: 3/30/07

FRED KHOROUSHI


President and General Manager
Alpine Armoring, Inc., in his individual capacity

Date: 3/27/07

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Fred Khoroushi
President and General Manager
Alpine Armoring, Inc.
570 Herndon Parkway, Suite 100
Herndon, VA 20170

Dear Mr. Khoroushi:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that you, Fred Khoroushi, as President and General Manager of Alpine Armoring, Inc. (“Alpine”) of Herndon, Virginia, in your individual capacity (“Khoroushi”), have committed nine violations of the Export Administration Regulations (the “Regulations”),¹ which are issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS charges that Khoroushi committed the following violations:

Charge 1: 15 C.F.R. § 764.2(b): Causing, Aiding, or Abetting an Act Prohibited by the Regulations:

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on one occasion on or about January 17, 2002, Khoroushi caused the doing of an act prohibited by the Regulations. Specifically, Khoroushi caused the export of ballistic helmets, classified as ECCN³ 0A018, from the United States to Suriname, without the Department of

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2006). The charged violations occurred between 2002 and 2004. The Regulations governing the violations at issue are found in the 2002 through 2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2002-2004)). The 2006 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). 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 3, 2006 (71 Fed. Reg. 44,551 (Aug. 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)).

³ The term “ECCN” refers to an Export Control Classification Number. See Section 772.1 of the Regulations.

Commerce license required by Section 742.4 of the Regulations. In so doing, Khoroushi committed one violation of Section 764.2(b) of the Regulations.

Charge 2: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the Regulations Was About to Occur:

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, in connection with the transaction described in Charge One, Khoroushi sold, transferred or forwarded items subject to the Regulations and exported from the United States with knowledge that a violation of the Regulations would occur. Specifically, Khoroushi sold, transferred or forwarded the ballistic helmets described above to a customer in Suriname when Khoroushi knew or had reason to know that these helmets would be exported from the United States to Suriname, without the required Department of Commerce license. Khoroushi had reason to know that a license was required for these exports since, *inter alia*, Khoroushi had previously informed Alpine's customers of the Department of Commerce license requirements applicable to Alpine's products. In so doing, Khoroushi committed one violation of Section 764.2(e) of the Regulations.

Charge 3: 15 C.F.R. § 764.2(a): Omission of an Export Control Classification Number on a Shipper's Export Declaration:

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on or about January 17, 2002, Khoroushi refrained from engaging in conduct required by the Regulations. Specifically, Khoroushi filed or caused to be filed a Shipper's Export Declaration with the U.S. Government that omitted the Export Control Classification Number required by Section 758.1 of the Regulations. In so doing, Khoroushi committed one violation of Section 764.2(a) of the Regulations.

Charge 4: 15 C.F.R. § 764.2(g): Misrepresentation of License Authority on a Shipper's Export Declaration:

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on or about January 17, 2002, Khoroushi made a false or misleading representation to the U.S. Government in violation of the Regulations. Specifically, Khoroushi filed or caused to be filed a Shipper's Export Declaration with the U.S. Government that stated that the export of ballistic helmets qualified for export from the United States to Suriname as NLR ("No License Required"). This statement was false or misleading because, as described in Charge One, a Department of Commerce license was required by Section 742.4 of the Regulations. By making this false or misleading representation to the U.S. Government, Khoroushi committed one violation of Section 764.2(g) of the Regulations.

Charge 5: 15 C.F.R. § 764.2(b): Causing, Aiding or Abetting an Act Prohibited by the Regulations:

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on one occasion on or about June 21, 2002, Khoroushi caused the doing of an act prohibited by the Regulations. Specifically, Khoroushi caused the export of ten ballistic helmets, classified as ECCN 0A018, from the United States to Suriname, without the Department of Commerce license required by Section 742.4 of the Regulations. In so doing, Khoroushi committed one violation of Section 764.2(b) of the Regulations.

Charge 6: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the Regulations Was About to Occur:

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, in connection with the transaction described in Charge Five, Khoroushi sold, transferred or forwarded items subject to the Regulations and exported from the United States with knowledge that a violation of the Regulations would occur. Specifically, Khoroushi sold, transferred or forwarded thirty ballistic helmets to a customer in Suriname when Khoroushi knew or had reason to know that ten of these helmets would be exported from the United States to Suriname, without the required Department of Commerce license. Khoroushi knew or had reason to know that a violation of the Regulations would occur in connection with these items since, *inter alia*, Khoroushi knew that the U.S. manufacturer of the helmets had received a Department of Commerce license authorizing the export of only twenty helmets. In so doing, Khoroushi committed one violation of Section 764.2(e) of the Regulations.

Charge 7: 15 C.F.R. § 764.2(c): Attempting the Export of an Item without the Required License:

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on one occasion on or about September 23, 2004, Khoroushi engaged in conduct prohibited by the Regulations by attempting to export armored vehicles, classified as ECCN 9A018, from the United States to Iraq, without the Department of Commerce license required by Section 746.3 of the Regulations. In so doing, Khoroushi committed one violation of Section 764.2(c) of the Regulations.

Charge 8: 15 C.F.R. § 764.2(e): Acting With Knowledge That a Violation of the Regulations Was About to Occur:

766.6 and 766.7. If Khoroushi defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Khoroushi. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

Khoroushi is further notified that he is entitled to an agency hearing on the record if he files a written demand for one with his answer. *See* 15 C.F.R. Section 766.6. Khoroushi is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent him. *See* 15 C.F.R. §§ 766.3(a) and 766.4.

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should Khoroushi have a proposal to settle this case, Khoroushi or his 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, Khoroushi's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

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

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

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

James C. Pelletier is the attorney representing BIS in this case; any communications that Khoroushi may wish to have concerning this matter should occur through him. Mr. Pelletier may be contacted by telephone at (202) 482-5301.

Sincerely,

Michael D. Turner
Director
Office of Export Enforcement

Enclosure

SCHEDULE A

KHOROUSHI

CHARGE	DATE OF EXPORT (ON OR ABOUT)	COMMODITY	VALUE (U.S. DOLLARS)	ECCN	COUNTRY	APPLICABLE BILL OF LADING
1, 2, 3, 4	1/17/02	Ballistic Helmets (10)	7,700	0A018	Suriname	19234938982
5, 6	6/21/02	Ballistic Helmets (10)	11,400	0A018	Suriname	1694061314
7, 8	9/23/04	Armored Vehicles (5)	886,700	9A018	Iraq	AVS 0701 0065

Charge 9 relates to conduct occurring on or about December 14, 2004.