

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

In the Matter of:)
)
P.R.A. World Wide Trading Co., Inc.)
2670 Stillwell Avenue)
Brooklyn, NY 11224)
)
Respondent)

ORDER RELATING TO P.R.A. WORLD WIDE TRADING CO., INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified P.R.A. World Wide Trading Co., Inc. (“PRA”), of its intention to initiate an administrative proceeding against it pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2007)) (the “Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),² through issuance of a proposed charging letter to PRA that alleged that it committed 42 violations of the Regulations. Specifically, these charges are:

¹ The violations charged occurred between 2001 and 2002. The Regulations governing the violations at issue are found in the 2001-2002 versions of the Code of Federal Regulations. See 15 C.F.R. Parts 730-774 (2001-02). The 2007 Regulations govern the procedural aspects of this case.

² Since August 21, 2001 the Act has been in lapse. However, 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)).

Charge 1**15 C.F.R. §764.2(d) - Conspiracy to make false statements to the U.S. Government**

Between on or about June 1, 2001 and on or about December 20, 2002, PRA, a freight forwarder, conspired with others, known and unknown, to bring about acts that violated the Regulations. The object of the conspiracy was to make false statements to the U.S. Government by misrepresenting the value of exports of items subject to the Regulations. In furtherance of this conspiracy, PRA misrepresented the value of items subject to the Regulations on Shipper's Export Declarations (SEDs) that it filed with the U.S. Government. Section 758.1 of the Regulations states that an SED is an export control document. Section 764.2(g) of the Regulations prohibits false or misleading statements in connection with the submission or use of an export control document. In conspiring to bring about acts that violate the Regulations, PRA committed one violation of Section 764.2(d) of the Regulations.

Charges 2-42**15 C.F.R. § 764.2(g) – False statements on export control documents.**

On 41 occasions between on or about June 1, 2001 and on or about December 20, 2002, PRA, a freight forwarder, made false or misleading representations, statements, or certifications to an official of a United States agency in connection with the preparation, submission, issuance, use, or maintenance of an export control document. Specifically, as described in more detail in the attached Schedule of Violations, which is hereby incorporated by reference, on 41 separate occasions, PRA falsely represented the value of items subject to the Regulations on Shipper's Export Declarations submitted to the U.S. Government. In most instances, the declared value was less than twenty percent of the true value, and in all instances, the declared value was substantially below the true value. Prior to the violations, PRA had repeatedly been warned by the U.S. Government that it was necessary to properly fill out and file Shipper's Export Declarations for the exports it handled. In making false representations to the U.S. Government, PRA committed 41 violations of Section 764.2(g) of the Regulations.

WHEREAS, BIS and PRA 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, that a civil penalty of \$250,000 is assessed against PRA. PRA shall pay \$160,000 to the Department of Commerce 30 days from the date of entry of the Order.

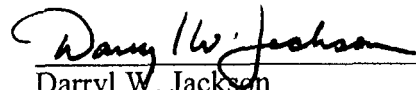
Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$90,000 shall be suspended for a period of one year from the date of entry of this Order and thereafter shall be waived, provided that during the period of suspension, PRA has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made the payment of \$160,000, described above, in a timely manner.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, PRA will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

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

FOURTH, that 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.



Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 6th day of August, 2007.

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

In the Matter of:)
)
P.R.A. World Wide Trading Co., Inc.)
2670 Stillwell Avenue)
Brooklyn, NY 11224)
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)
)
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Respondent _____)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between P.R.A. World Wide Trading Co., Inc. (“PRA”) and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively, the “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2007)) (the “Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),²

WHEREAS, BIS has notified PRA of its intention to initiate an administrative proceeding against PRA, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to PRA that alleged that PRA committed 42 violations of the Regulations, specifically:

¹ The violations charged occurred between 2001 and 2002. The Regulations governing the violations at issue are found in the 2001-2002 versions of the Code of Federal Regulations. See 15 C.F.R. Parts 730-774 (2001-02). The 2007 Regulations govern the procedural aspects of this case.

² Since August 21, 2001 the Act has been in lapse. However, 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)).

Charge 1 15 C.F.R. §764.2(d) - Conspiracy to make false statements to the U.S. Government

Between on or about June 1, 2001 and on or about December 20, 2002, PRA, a freight forwarder, conspired with others, known and unknown, to bring about acts that violated the Regulations. The object of the conspiracy was to make false statements to the U.S. Government by misrepresenting the value of exports of items subject to the Regulations. In furtherance of this conspiracy, PRA misrepresented the value of items subject to the Regulations on Shipper's Export Declarations (SEDs) that it filed with the U.S. Government. Section 758.1 of the Regulations states that an SED is an export control document. Section 764.2(g) of the Regulations prohibits false or misleading statements in connection with the submission or use of an export control document. In conspiring to bring about acts that violate the Regulations, PRA committed one violation of Section 764.2(d) of the Regulations.

Charges 2-42 15 C.F.R. § 764.2(g) – False statements on export control documents.

On 41 occasions between on or about June 1, 2001 and on or about December 20, 2002, PRA, a freight forwarder, made false or misleading representations, statements, or certifications to an official of a United States agency in connection with the preparation, submission, issuance, use, or maintenance of an export control document. Specifically, as described in more detail in the attached Schedule of Violations, which is hereby incorporated by reference, on 41 separate occasions, PRA falsely represented the value of items subject to the Regulations on Shipper's Export Declarations submitted to the U.S. Government. In most instances, the declared value was less than twenty percent of the true value, and in all instances, the declared value was substantially below the true value. Prior to the violations, PRA had repeatedly been warned by the U.S. Government that it was necessary to properly fill out and file Shipper's Export Declarations for the exports it handled. In making false representations to the U.S. Government, PRA committed 41 violations of Section 764.2(g) of the Regulations.

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

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

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over PRA under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. The following sanction shall be imposed against PRA in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the proposed charging letter:

- a. PRA shall be assessed a civil penalty in the amount of \$250,000.

PRA shall pay \$160,000 to the U.S. Department of Commerce within 30 days from the date of entry of the Order. Payment of the remaining \$90,000 shall be suspended for a period of one year from the date of entry of the Order and thereafter shall be waived, provided that during the period of suspension, PRA has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made the payment of \$160,000, described above, in a timely manner.

b. The timely payment of the civil penalty agreed to in paragraph 2.a is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to PRA.

Failure to make timely payment of the civil penalty set forth above may result in the denial of all of PRA's export privileges for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, PRA 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; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order and timely payment of the \$160,000 civil penalty, and following the waiver of any remaining penalty as described in paragraph 2.a., above, BIS will not initiate any further administrative proceeding against PRA in connection with any violation of the Act or the Regulations arising out of the transactions and/or alleged conspiracy 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

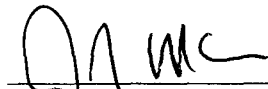
Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

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 the Parties 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.

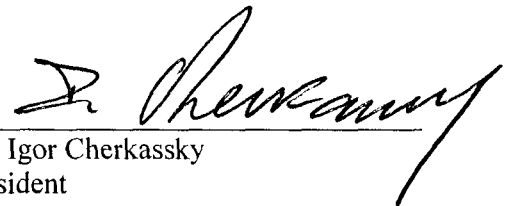
BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE



John McKenna
Acting Director
Office of Export Enforcement

Date: 7/30/07

P.R.A. WORLD WIDE TRADING CO., INC.



Mr. Igor Cherkassky
President

Date: July, 25, 2007

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

P.R.A. World Wide Trading Co., Inc.
2670 Stillwell Avenue
Brooklyn, NY 11224

Attn: Mr. Igor Cherkassky
President

Dear Mr. Cherkassky:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that P.R.A. World Wide Trading Co., Inc., of Brooklyn, NY ("PRA"), has committed 42 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 PRA committed the following violations:

Charge 1 15 C.F.R. §764.2(d) - Conspiracy to make false statements to the U.S. Government

Between on or about June 1, 2001 and on or about December 20, 2002, PRA, a freight forwarder, conspired with others, known and unknown, to bring about acts that violated the Regulations. The object of the conspiracy was to make false statements to the U.S. Government by misrepresenting the value of exports of items subject to the Regulations. In furtherance of this conspiracy, PRA misrepresented the value of items subject to the Regulations on Shipper's Export Declarations (SEDs) that it filed with the U.S. Government. Section 758.1 of the Regulations states that an SED is an export control document. Section 764.2(g) of the Regulations prohibits false or misleading statements in connection with the submission or use of an export control document. In conspiring to

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2007). The violations charged occurred between 2001 and 2002. The Regulations governing the violations at issue are found in the 2001-2002 versions of the Code of Federal Regulations. See 15 C.F.R. Parts 730-774 (2001-02). The 2007 Regulations govern the procedural aspects of this case.

² 50 U.S.C. app. §§ 2401- 2420 (2000). Since August 21, 2001 the Act has been in lapse. However, 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 International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("IEEPA"). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.

bring about acts that violate the Regulations, PRA committed one violation of Section 764.2(d) of the Regulations.

Charges 2-42 15 C.F.R. § 764.2(g) – False statements on export control documents.

On 41 occasions **between** on or about June 1, 2001 and on or about December 20, 2002, PRA, a freight **forwarder**, made false or misleading representations, statements, or certifications to an official of a United States agency in connection with the preparation, submission, issuance, use, or maintenance of an export control document. Specifically, as described in more **detail** in the attached Schedule of Violations, which is hereby incorporated by **reference**, on 41 separate occasions, PRA falsely represented the value of items subject to **the Regulations** on Shipper's Export Declarations submitted to the U.S. Government. In **most** instances, the declared value was less than twenty percent of the true value, and in **all** instances, the declared value was substantially below the true value. Prior to the **violations**, PRA had repeatedly been warned by the U.S. Government that it was necessary to **properly** fill out and file Shipper's Export Declarations for the exports it handled. In making **false** representations to the U.S. Government, PRA committed 41 violations of Section 764.2(g) of the Regulations.

* * * * *

Accordingly, PRA is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

- The **maximum** civil penalty allowed by law of up to \$11,000 per violation;³
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If PRA fails to **answer** the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. See 15 C.F.R. §§ 766.6 and 766.7 (2007). If PRA defaults, the Administrative Law Judge may find the **charges** alleged in this letter to be true without a hearing or further notice to PRA. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum **penalty** on each of the charges in this letter.

PRA is further **notified** that it is entitled to an agency hearing on the record if it files a written demand **for** one with its answer. See 15 C.F.R. § 766.6 (2007). PRA is also

³ See 15 C.F.R. § 6.4(a)(4) (2001-2002), as supplemented by 68 Fed. Reg. 4,380 (Jan. 29, 2003), and 68 Fed. Reg. 69,001 (Dec. 11, 2003).

entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. 15 C.F.R. §§ 766.3(a) and 766.4 (2007).

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18 (2007). Should PRA have a proposal to settle this case, PRA's representative should transmit it through the attorney representing BIS, who is named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, PRA'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 PRA's answer must be served on BIS at the following address:

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

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

Sincerely,

John McKenna
Acting Director
Office of Export Enforcement

Enclosure

Schedule of Violations
P.R.A. World Wide Trading Co., Inc.

Charge #	Date	Air Waybill #	Declared Value (on Shipper's Export Declaration)
2	December 20, 2002	1727-2555	\$ 4,122.00
3	December 20, 2002	1727-2544	\$ 4,504.50
4	December 13, 2002	9002-3183	\$ 4,601.10
5	December 13, 2002	1727-2496	\$ 4,249.50
6	December 10, 2002	9791-9651	\$ 940.90
7	December 6, 2002	1727-2452	\$ 4,325.50
8	December 6, 2002	1727-2371	\$ 19,837.00
9	October 25, 2002	9791-9522	\$ 2,593.65
10	October 2, 2002	9002-0965	\$ 13,634.20
11	September 23, 2002	9002-0674	\$ 3,958.62
12	September 17, 2002	9001-8611	\$ 100.00
13	July 11, 2002	9001-8574	\$ 2,984.01
14	May 16, 2002	9001-7115	\$ 1,216.10
15	January 24, 2002	9001-4643	\$ 1,769.70
16	January 10, 2002	8848-6580	\$ 1,170.65
17	December 21, 2001	9001-4573	\$ 1,327.35
18	December 18, 2001	9001-4234	\$ 1,677.10
19	November 26, 2001	7185-4274	\$ 844.60
20	November 17, 2001	1545-2161	\$ 39,544.00
21	November 10, 2001	1545-2640	\$ 29,712.00
22	November 10, 2001	1545-2614	\$ 22,912.00
23	November 10, 2001	1545-2603	\$ 8,288.00
24	November 9, 2001	1545-2636	\$ 10,344.00
25	October 27, 2001	1545-2570	\$ 4,267.00
26	October 27, 2001	1545-2555	\$ 24,944.00
27	October 20, 2001	1545-2544	\$ 25,650.00
28	August 25, 2001	1541-7275	\$ 25,567.00
29	August 17, 2001	1541-7253	\$ 28,227.00
30	August 17, 2001	1541-7264	\$ 11,108.00
31	August 11, 2001	1541-7242	\$ 21,126.00
32	August 11, 2001	1541-7220	\$ 6,995.00
33	August 4, 2001	1541-7216	\$ 37,946.00
34	June 30, 2001	1541-7032	\$ 24,743.00
35	June 29, 2001	1541-7021	\$ 14,722.00
36	June 23, 2001	1541-6984	\$ 11,166.00
37	June 23, 2001	1541-6995	\$ 13,192.00
38	June 22, 2001	1541-6962	\$ 39,933.00
39	June 16, 2001	1541-6951	\$ 16,320.00
40	June 16, 2001	1541-6940	\$ 19,145.00
41	June 9, 2001	1541-6925	\$ 27,216.00
42	June 2, 2001	15338-5005	\$ 51,559.00

* NOTE: Charge number one is not transaction-specific and thus not listed in this schedule