

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

\_\_\_\_\_  
In the Matter of: )  
 )  
Henry Schein, Inc. )  
135 Duryea Road )  
Melville, NY 11747 )  
 )  
Respondent )  
\_\_\_\_\_

ORDER RELATING TO HENRY SCHEIN, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Henry Schein, Inc. (“Schein”), of its intention to initiate an administrative proceeding against Schein pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2007)) (the “Regulations”),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),<sup>2</sup> through issuance of a proposed charging letter to Schein that alleged that Schein committed 25 violations of the Regulations. Specifically, the charges are:

<sup>1</sup> The violations alleged to have been committed occurred in 2001-2003. The Regulations governing the violations at issue are found in the 2001-2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2003)). The 2007 Regulations establish the procedures that apply to this matter.

<sup>2</sup> 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)).

**Charges 1-6 15 C.F.R. §764.2(a) - Engaging in Prohibited Conduct by Exporting Dental Equipment Without the Required License**

As further described in the attached schedule of violations, which is incorporated herein, on six occasions between on or about October 17, 2001 and March 3, 2003, Schein engaged in conduct prohibited by the Regulations by exporting dental equipment, items subject to the Regulations and the Iranian Transactions Regulations ("ITR") (31 CFR Part 560) maintained by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), without the required U.S. government authorization. Pursuant to Section 764.7(a) of the Regulations and Section 560.204 of the ITR, the export of these items to Iran required OFAC authorization and no such authorization was obtained. In so doing, Schein committed six violations of Section 764.2(a) of the Regulations.

**Charge 7 15 C.F.R. §764.2(d) - Conspiring to Act in Concert with Other Persons to Bring about an Act that Violates the Regulations**

From in or about September 2001 and continuing through in or about March 2003, Schein conspired or acted in concert with others, known and unknown, to bring about an act that violates the Regulations. The purpose of the conspiracy was to ship dental equipment, items subject to the Regulations, from the United States to Iran without the required U.S. government authorization. In furtherance of the conspiracy, the co-conspirators, including Schein, participated in a scheme in which a co-conspirator in Iran would contact Schein to arrange for the sale and export of dental equipment to Iran through the United Arab Emirates ("U.A.E."). With the knowledge of Schein, the co-conspirator would then direct the items to be shipped from the U.A.E. to Iran without the required U.S. government authorization. In so doing, Schein committed one violation of Section 764.2(d) of the Regulations.

**Charges 8-13 15 C.F.R. §764.2(e) - Acting with Knowledge of a Violation**

As further described in the attached schedule of violations, which is incorporated herein, on six occasions in connection with the transactions listed in Charges 1-6 above, between on or about October 17, 2001 and March 3, 2003, Schein exported dental equipment with knowledge that violations of the Regulations were to occur in connection with the export of the items. Specifically, Schein knew that the items would be re-exported from the U.A.E. to Iran without U.S. government authorization as required by Section 764.7(a) of the Regulations and Section 560.204 of the ITR. Schein knew or should have known that U.S. government authorization was required and had not been obtained as, inter alia, on or about September 20, 2001, Schein received an email from a U.S. freight forwarder holding Schein's export that contained the subject line "Export license may be needed on shipment to UAE" and stated that "recently new regulations were implemented, allowing certain medical and agricultural products exported to Iran ... which were not previously ... However, these exports are permitted only if the U.S. Treasury, Office of Foreign Assets Control (OFAC) authorizes the export by the issuance of an export license from OFAC." The email also contained Internet links to websites maintained by both BIS and OFAC. In so doing, Schein committed six violations of Section 764.2(e) of the Regulations.

**Charges 14-18      15 C.F.R. §764.2(g) - Misrepresentation and Concealment of Facts**

On five occasions in connection with the transactions listed in Charges 1-6 above, between on or about October 17, 2001 and March 3, 2003, Schein made false statements directly or indirectly to the U.S. Government in connection with the preparation and/or submission of export control documents. Specifically, Schein filed or caused to be filed Shipper's Export Declarations ("SEDs") with the U.S. Government stating that the country of ultimate destination was the U.A.E. These representations were false as Iran was the ultimate country of destination. SEDs are export control documents, as defined in Part 772 of the Regulations. In so doing, Schein committed five violations of Section 764.2(g) of the Regulations.

**Charges 19-24      15 C.F.R. §764.2(h) - Evasion**

On six occasions in connection with the transactions listed in Charges 1-6 above, between on or about October 17, 2001 and March 3, 2003, Schein took actions with the intent to evade the Regulations. Specifically, Schein changed the "bill to" information on its shipping documents to reference an address in the U.A.E. instead of the buyer in Iran. These actions were taken to conceal the ultimate destination of the items which was Iran and that U.S. government authorization was required to export the dental equipment to Iran and not the U.A.E. In so doing so, Schein committed six violations of Section 764.2(h) of the Regulations.

**Charge 25      15 C.F.R. §764.2(i) - Failure to Comply with Reporting, Recordkeeping Requirements**

In connection with the transactions listed in Charges 1-6 above, between on or about October 17, 2001 and March 3, 2003, Schein failed to comply with the recordkeeping requirements set forth in Section 762.2 of the Regulations. Specifically, Schein failed to retain export control documents (including SEDs) in connection with the exports described in Charges 1-6 above. In so doing, Schein committed one violation of Section 764.2(i) of the Regulations.

WHEREAS, BIS and Schein 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:**

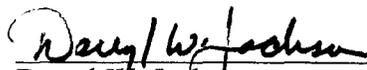
FIRST, that a civil penalty of \$165,000 is assessed against Schein, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

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, Schein 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 Schein. Accordingly, if Schein should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Schein'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 31<sup>ST</sup> day of August, 2007.

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

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In the Matter of: )  
 )  
Henry Schein, Inc. )  
135 Duryea Road )  
Melville, NY 11747 )  
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Respondent )  
\_\_\_\_\_

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Henry Schein, Inc. (referred to hereinafter as “Schein”) 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”),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),<sup>2</sup>

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

WHEREAS, BIS has issued a proposed charging letter to Schein that alleged that Schein committed 25 violations of the Regulations, specifically:

<sup>1</sup> The violations alleged to have been committed occurred in 2001-2003. The Regulations governing the violations at issue are found in the 2001-2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001-2003)). The 2007 Regulations establish the procedures that apply to this matter.

<sup>2</sup> 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 2, 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”).

**Charges 1-6 15 C.F.R. §764.2(a) - Engaging in Prohibited Conduct by Exporting Dental Equipment Without the Required License**

As further described in the attached schedule of violations, which is incorporated herein, on six occasions between on or about October 17, 2001 and March 3, 2003, Schein engaged in conduct prohibited by the Regulations by exporting dental equipment, items subject to the Regulations and the Iranian Transactions Regulations ("ITR") (31 CFR Part 560) maintained by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), without the required U.S. government authorization. Pursuant to Section 764.7(a) of the Regulations and Section 560.204 of the ITR, the export of these items to Iran required OFAC authorization and no such authorization was obtained. In so doing, Schein committed six violations of Section 764.2(a) of the Regulations.

**Charge 7 15 C.F.R. §764.2(d) - Conspiring to Act in Concert with Other Persons to Bring about an Act that Violates the Regulations**

From in or about September 2001 and continuing through in or about March 2003, Schein conspired or acted in concert with others, known and unknown, to bring about an act that violates the Regulations. The purpose of the conspiracy was to ship dental equipment, items subject to the Regulations, from the United States to Iran without the required U.S. government authorization. In furtherance of the conspiracy, the co-conspirators, including Schein, participated in a scheme in which a co-conspirator in Iran would contact Schein to arrange for the sale and export of dental equipment to Iran through the United Arab Emirates ("U.A.E."). With the knowledge of Schein, the co-conspirator would then direct the items to be shipped from the U.A.E. to Iran without the required U.S. government authorization. In so doing, Schein committed one violation of Section 764.2(d) of the Regulations.

**Charges 8-13 15 C.F.R. §764.2(e) - Acting with Knowledge of a Violation**

As further described in the attached schedule of violations, which is incorporated herein, on six occasions in connection with the transactions listed in Charges 1-6 above, between on or about October 17, 2001 and March 3, 2003, Schein exported dental equipment with knowledge that violations of the Regulations were to occur in connection with the export of the items. Specifically, Schein knew that the items would be re-exported from the U.A.E. to Iran without U.S. government authorization as required by Section 764.7(a) of the Regulations and Section 560.204 of the ITR. Schein knew or should have known that U.S. government authorization was required and had not been obtained as, inter alia, on or about September 20, 2001, Schein received an email from a U.S. freight forwarder holding Schein's export that contained the subject line "Export license may be needed on shipment to UAE" and stated that "recently new regulations were implemented, allowing certain medical and agricultural products exported to Iran ... which were not previously ... However, these exports are permitted only if the U.S. Treasury, Office of Foreign Assets Control (OFAC) authorizes the export by the issuance of an export license from OFAC." The email also contained Internet links to websites maintained by both BIS and OFAC. In so doing, Schein committed six violations of Section 764.2(e) of the Regulations.

**Charges 14-18      15 C.F.R. §764.2(g) - Misrepresentation and Concealment of Facts**

On five occasions in connection with the transactions listed in Charges 1-6 above, between on or about October 17, 2001 and March 3, 2003, Schein made false statements directly or indirectly to the U.S. Government in connection with the preparation and/or submission of export control documents. Specifically, Schein filed or caused to be filed Shipper's Export Declarations ("SEDs") with the U.S. Government stating that the country of ultimate destination was the U.A.E. These representations were false as Iran was the ultimate country of destination. SEDs are export control documents, as defined in Part 772 of the Regulations. In so doing, Schein committed five violations of Section 764.2(g) of the Regulations.

**Charges 19-24      15 C.F.R. §764.2(h) - Evasion**

On six occasions in connection with the transactions listed in Charges 1-6 above, between on or about October 17, 2001 and March 3, 2003, Schein took actions with the intent to evade the Regulations. Specifically, Schein changed the "bill to" information on its shipping documents to reference an address in the U.A.E. instead of the buyer in Iran. These actions were taken to conceal the ultimate destination of the items which was Iran and that U.S. government authorization was required to export the dental equipment to Iran and not the U.A.E. In so doing so, Schein committed six violations of Section 764.2(h) of the Regulations.

**Charge 25      15 C.F.R. §764.2(i) - Failure to Comply with Reporting, Recordkeeping Requirements**

In connection with the transactions listed in Charges 1-6 above, between on or about October 17, 2001 and March 3, 2003, Schein failed to comply with the recordkeeping requirements set forth in Section 762.2 of the Regulations. Specifically, Schein failed to retain export control documents (including SEDs) in connection with the exports described in Charges 1-6 above. In so doing, Schein committed one violation of Section 764.2(i) of the Regulations.

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

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

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

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

WHEREAS, this Settlement Agreement constitutes neither an admission nor denial of the allegations contained in the Charging Letter; and,

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

NOW THEREFORE, the Parties hereby agree as follows:

- A 1. BIS has jurisdiction over Schein, under the Regulations, in connection with the matters alleged in the proposed charging letter.
- B 2. The following sanction shall be imposed against Schein in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the proposed charging letter:
  - a. Schein shall be assessed a civil penalty in the amount of \$165,000, all of which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order.
  - 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 Schein. Failure to make timely payment of the civil penalty set forth above may result in

the denial of all of Schein's export privileges for a period of one year from the date of imposition of the penalty.

- C 3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Schein 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.
- D 4. Upon entry of the Order and timely payment of the \$165,000 civil penalty, BIS will not initiate any further administrative proceeding against Schein in connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed charging letter.
- E 5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.
- F 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.
- G 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.
- H 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.
- I 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.

<p>BUREAU OF INDUSTRY AND SECURITY U.S. DEPARTMENT OF COMMERCE</p> <p><i>Keri Dell'Colle</i></p> <hr/> <p>John McKenna Acting Director Office of Export Enforcement</p> <p>Date: 8/29/07</p>	<p>HENRY SCHEIN, INC.</p> <p><i>Michael S. Ettinger</i></p> <hr/> <p>Michael S. Ettinger Vice President, General Counsel and Secretary</p> <p>Date: 8/28/07</p>
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CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Henry Schein, Inc.  
135 Duryea Road  
Melville, NY 11747

Attention: *Stanley Bergman*  
*Chief Executive Officer*

Dear Mr. Bergman:

The Bureau of Industry and Security, U. S. Department of Commerce (BIS), has reason to believe that Henry Schein, Inc., of Melville, New York, (Schein) has committed twenty-five violations of the Export Administration Regulations (the "Regulations"),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979, as amended (the "Act").<sup>2</sup> Specifically, BIS charges that Schein committed the following violations:

**Charges 1-6 (15 C.F.R. §764.2(a) - Engaging in Prohibited Conduct by Exporting Dental Equipment Without the Required License)**

As further described in the attached schedule of violations, which is incorporated herein, on six occasions between on or about October 17, 2001 and March 3, 2003, Schein engaged in conduct prohibited by the Regulations by exporting dental equipment, items subject to the Regulations<sup>3</sup> and the Iranian Transactions Regulations (ITR) (31 CFR Part 560) maintained by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC), without the required U.S. government authorization. Pursuant to Section 764.7(a) of the Regulations and Section 560.204 of the ITR, the export of these items to Iran required OFAC authorization and no such

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2006). The violations charged occurred in 2001-2003. The Regulations governing the violations at issue are found in the 2001-2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2006 Regulations govern the procedural aspects of this case.

<sup>2</sup> 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)), as extended most recently by the Notice of August 2, 2006, (71 Fed. Reg. 44551 (August 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("IEEPA").

<sup>3</sup>The commodities are classified under Export Control Classification Number (ECCN) EAR99.

authorization was obtained. In so doing, Schein committed six violations of Section 764.2(a) of the Regulations.

**Charge 7 (15 C.F.R. §764.2(d) - Conspiring to Act in Concert with Other Persons to Bring about an Act that Violates the Regulations)**

From in or about September 2001 and continuing through in or about March 2003, Schein conspired or acted in concert with others, known and unknown, to bring about an act that violates the Regulations. The purpose of the conspiracy was to ship dental equipment, items subject to the Regulations, from the United States to Iran without the required U.S. government authorization. In furtherance of the conspiracy, the co-conspirators, including Schein, participated in a scheme in which a co-conspirator in Iran would contact Schein to arrange for the sale and export of dental equipment to Iran through the United Arab Emirates (U.A.E.). With the knowledge of Schein, the co-conspirator would then direct the items to be shipped from the U.A.E. to Iran without the required U.S. government authorization. In so doing, Schein committed one violation of Section 764.2(d) of the Regulations.

**Charges 8-13 (15 C.F.R. §764.2(e) - Acting with Knowledge of a Violation)**

As further described in the attached schedule of violations, which is incorporated herein, on six occasions in connection with the transactions listed in Charges 1-6 above, between on or about October 17, 2001 and March 3, 2003, Schein exported dental equipment with knowledge that violations of the Regulations were to occur in connection with the export of the items. Specifically, Schein knew that the items would be re-exported from the U.A.E. to Iran without U.S. government authorization as required by Section 764.7(a) of the Regulations and Section 560.204 of the ITR. Schein knew or should have known that U.S. government authorization was required and had not been obtained as, *inter alia*, on or about September 20, 2001, Schein received an email from a U.S. freight forwarder holding Schein's export that contained the subject line "Export license may be needed on shipment to UAE" and stated that "recently new regulations were implemented, allowing certain medical and agricultural products exported to Iran ... which were not previously ... However, these exports are permitted only if the U.S. Treasury, Office of Foreign Assets Control (OFAC) authorizes the export by the issuance of an export license from OFAC." The email also contained Internet links to websites maintained by both BIS and OFAC. In so doing, Schein committed six violations of Section 764.2(e) of the Regulations.

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On five occasions in connection with the transactions listed in Charges 1-6 above, between on or about October 17, 2001 and March 3, 2003, Schein made false statements directly or indirectly to

the U.S. Government in connection with the preparation and/or submission of export control documents. Specifically, Schein filed or caused to be filed Shipper's Export Declarations (SEDs) with the U.S. Government stating that the country of ultimate destination was the U.A.E. These representations were false as Iran was the ultimate country of destination. SEDs are export control documents, as defined in Part 772 of the Regulations. In so doing, Schein committed five violations of Section 764.2(g) of the Regulations.

**Charges 19-24 (15 C.F.R. §764.2(h) - Evasion)**

On six occasions in connection with the transactions listed in Charges 1-6 above, between on or about October 17, 2001 and March 3, 2003, Schein took actions with the intent to evade the Regulations. Specifically, Schein changed the "bill to" information on its shipping documents to reference an address in the U.A.E. instead of the buyer in Iran. These actions were taken to conceal the ultimate destination of the items which was Iran and that U.S. government authorization was required to export the dental equipment to Iran and not the U.A.E. In so doing so, Schein committed six violations of Section 764.2(h) of the Regulations.

**Charge 25 (15 C.F.R. §764.2(I) - Failure to Comply with Reporting, Recordkeeping Requirements)**

In connection with the transactions listed in Charges 1-6 above, between on or about October 17, 2001 and March 3, 2003, Schein failed to comply with the recordkeeping requirements set forth in Section 762.2 of the Regulations. Specifically, Schein failed to retain export control documents (including SEDs) in connection with the exports described in Charges 1-6 above. In so doing, Schein committed one violation of Section 764.2(I) of the Regulations.

\* \* \* \* \*

Accordingly, Schein 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;<sup>4</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

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

If Schein 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. (Regulations, Sections 766.6 and 766.7). If Schein defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Schein. 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.

Schein is further notified that it is entitled to an agency hearing on the record if Schein files a written demand for one with its answer. (Regulations, Section 766.6). Schein is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should Schein have a proposal to settle this case, Schein or its 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, Schein'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 Schein's answer must be served on BIS at the following address:

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

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

Schein, Inc.  
Proposed Charging Letter  
Page 5

Sincerely,

Michael Turner  
Director  
Office of Export Enforcement

Enclosure

# Henry Schein, Inc. Schedule of Violations

Charge	Export Date	Commodity	Value/Item	Destination	Order #	Violation(s)
1	10/17/2001	dental equipment	\$16,544.00	Iran	5645107-01	764.2(a)
2	12/19/2001	dental equipment	\$8,640.00	Iran	6918292-01	764.2(a)
3	5/10/2002	dental equipment	\$775.35	Iran	2795139-01	764.2(a)
4	6/27/2002	dental equipment	\$9,361.00	Iran	3160902-01	764.2(a)
5	12/4/2002	dental equipment	\$5,657.10	Iran	7112575-01	764.2(a)
6	3/3/2003	dental equipment	\$4,142.14	Iran	1682948-01	764.2(a)
7	charges 1-6 above	dental equipment		Iran		764.2(d)
8	10/17/2001	dental equipment	\$16,544.00	Iran	5645107-01	764.2(e)
9	12/19/2001	dental equipment	\$8,640.00	Iran	6918292-01	764.2(e)
10	5/10/2002	dental equipment	\$775.35	Iran	2795139-01	764.2(e)
11	6/27/2002	dental equipment	\$9,361.00	Iran	3160902-01	764.2(e)
12	12/4/2002	dental equipment	\$5,657.10	Iran	7112575-01	764.2(e)
13	3/3/2003	dental equipment	\$4,142.14	Iran	1682948-01	764.2(e)
14	10/17/2001	dental equipment	\$16,544.00	Iran	5645107-01	764.2(g)
15	12/19/2001	dental equipment	\$8,640.00	Iran	6918292-01	764.2(g)
16	6/27/2002	dental equipment	\$9,361.00	Iran	3160902-01	764.2(g)
17	12/4/2002	dental equipment	\$5,657.10	Iran	7112575-01	764.2(g)
18	3/3/2003	dental equipment	\$4,142.14	Iran	1682948-01	764.2(g)
19	10/17/2001	dental equipment	\$16,544.00	Iran	5645107-01	764.2(h)
20	12/19/2001	dental equipment	\$8,640.00	Iran	6918292-01	764.2(h)
21	5/10/2002	dental equipment	\$775.35	Iran	2795139-01	764.2(h)
22	6/27/2002	dental equipment	\$9,361.00	Iran	3160902-01	764.2(h)
23	12/4/2002	dental equipment	\$5,657.10	Iran	7112575-01	764.2(h)
24	3/3/2003	dental equipment	\$4,142.14	Iran	1682948-01	764.2(h)
25	5/10/2002	dental equipment	\$775.35	Iran	2795139-01	764.2(i)

Attachment A

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