

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

In the Matter of:)
)
Cole-Parmer Instrument Co.)
625 East Bunker Court)
Vernon Hills, Illinois 60061)
)
Respondent.)

ORDER RELATING TO COLE-PARMER INSTRUMENT CO.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Cole-Parmer Instrument Co. (“Cole-Parmer”), of its intention to initiate an administrative proceeding against Cole-Parmer 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 Cole-Parmer that alleged that Cole-Parmer committed ten violations of the Regulations. Specifically, these charges are:

¹ The violations alleged to have been committed occurred during 2002, 2003, and 2004. The Regulations governing the violations at issue are found in the 2002, 2003, and 2004 versions of the Code of Federal Regulations. *See* 15 C.F.R. Parts 730-774 (2002-2004). 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 15, 2007 (72 Fed. Reg. 46,137, Aug. 16, 2007), 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(a) - Engaging in Prohibited Conduct by Exporting Valves to the People's Republic of China Without the Required License

On one occasion on or about June 28, 2002, Cole-Parmer engaged in conduct prohibited by the Regulations by exporting valves, items classified under Export Control Classification Number ("ECCN") 2B350 and controlled for reasons of chemical and biological weapons proliferation, to the People's Republic of China ("PRC") without the Department of Commerce license required by Section 742.2(a)(3) of the Regulations. In so doing, Cole-Parmer committed one violation of Section 764.2(a) of the Regulations.

Charges 2-5 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Valves to Pakistan Without the Required License

On four occasions between on or about September 10, 2002 and on or about August 28, 2004, Cole-Parmer engaged in conduct prohibited by the Regulations by exporting valves, items classified under ECCN 2B350 and controlled for reasons of chemical and biological weapons proliferation, to Pakistan without the Department of Commerce licenses required by Section 742.2(a)(3) of the Regulations. In so doing, Cole-Parmer committed four violations of Section 764.2(a) of the Regulations.

Charges 6-10 15 C.F.R. § 764.2(g) - Misrepresentation of Facts through False Statement on Shipper's Export Declarations

On five occasions between on or about July 3, 2002 and on or about August 28, 2004, in connection with the transactions described in Charges 1-5, Cole-Parmer made false statements directly or indirectly to the U.S. Government in connection with the preparation and/or submission of export control documents. Specifically, Cole-Parmer filed or caused to be filed Shipper's Export Declarations ("SEDs") or Automated Export System ("AES") records with the U.S. Government stating that the items that were the subject of the SEDs or AES records qualified for export as "NLR," i.e., that no license was required. These representations were false, as licenses were required for the valves included in the shipments. SEDs and AES records are export control documents, as defined in Part 772 of the Regulations. In so doing, Cole-Parmer committed five violations of Section 764.2(g) of the Regulations.

WHEREAS, BIS and Cole-Parmer 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:

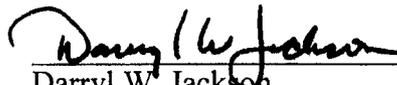
FIRST, that a civil penalty of \$55,000 is assessed against Cole-Parmer, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

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, Cole-Parmer 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 Cole-Parmer. Accordingly, if Cole-Parmer should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Cole-Parmer'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 20th day of September, 2007.

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

In the Matter of:)
)
Cole-Parmer Instrument Co.)
625 East Bunker Court)
Vernon Hills, Illinois 60061)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Cole-Parmer Instrument Co. (“Cole-Parmer”) 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 Cole-Parmer of its intention to initiate an administrative proceeding against it, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to Cole-Parmer that alleged that it committed ten violations of the Regulations, specifically:

¹ The violations alleged to have been committed occurred during 2002, 2003, and 2004. The Regulations governing the violations at issue are found in the 2002, 2003, and 2004 versions of the Code of Federal Regulations. *See* 15 C.F.R. Parts 730-774 (2002-2004). 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 15, 2007 (72 Fed. Reg. 46,137 (Aug. 16, 2007)), 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(a) - Engaging in Prohibited Conduct by Exporting Valves to the People's Republic of China Without the Required License

On one occasion on or about June 28, 2002, Cole-Parmer engaged in conduct prohibited by the Regulations by exporting valves, items classified under Export Control Classification Number ("ECCN") 2B350 and controlled for reasons of chemical and biological weapons proliferation, to the People's Republic of China ("PRC") without the Department of Commerce license required by Section 742.2(a)(3) of the Regulations. In so doing, Cole-Parmer committed one violation of Section 764.2(a) of the Regulations.

Charges 2-5 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Valves to Pakistan Without the Required License

On four occasions between on or about September 10, 2002 and on or about August 28, 2004, Cole-Parmer engaged in conduct prohibited by the Regulations by exporting valves, items classified under ECCN 2B350 and controlled for reasons of chemical and biological weapons proliferation, to Pakistan without the Department of Commerce licenses required by Section 742.2(a)(3) of the Regulations. In so doing, Cole-Parmer committed four violations of Section 764.2(a) of the Regulations.

Charges 6-10 15 C.F.R. § 764.2(g) - Misrepresentation of Facts through False Statement on Shipper's Export Declarations

On five occasions between on or about July 3, 2002 and on or about August 28, 2004, in connection with the transactions described in Charges 1-5, Cole-Parmer made false statements directly or indirectly to the U.S. Government in connection with the preparation and/or submission of export control documents. Specifically, Cole-Parmer filed or caused to be filed Shipper's Export Declarations ("SEDs") or Automated Export System ("AES") records with the U.S. Government stating that the items that were the subject of the SEDs or AES records qualified for export as "NLR," i.e., that no license was required. These representations were false, as licenses were required for the valves included in the shipments. SEDs and AES records are export control documents, as defined in Part 772 of the Regulations. In so doing, Cole-Parmer committed five violations of Section 764.2(g) of the Regulations.

WHEREAS, Cole-Parmer 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, Cole-Parmer 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, Cole-Parmer enters into this Agreement voluntarily and with full knowledge of its rights;

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

WHEREAS, Cole-Parmer neither admits nor denies the allegations contained in the proposed charging letter;

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

WHEREAS, Cole-Parmer agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Cole-Parmer, under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. The following sanction shall be imposed against Cole-Parmer in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the proposed charging letter:
 - a. Cole-Parmer shall be assessed a civil penalty in the amount of \$55,000, 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 Cole-Parmer. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Cole-Parmer'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, Cole-Parmer 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 \$55,000 civil penalty, BIS will not initiate any further administrative proceeding against Cole-Parmer 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 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.

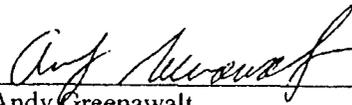
BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE



Thomas Madigan
Acting Director
Office of Export Enforcement

Date: 20 SEP 2007

COLE-PARMER INSTRUMENT CO.



Andy Greenawalt
President

Date: 9/20/07

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Cole-Parmer Instrument Co.
625 East Bunker Court
Vernon Hills, Illinois 60061

Attention: *Andy Greenawalt*
President

Dear Mr. Malus:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Cole-Parmer Instrument Co. of Vernon Hills, Illinois (“Cole-Parmer”), has committed ten 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 Cole-Parmer committed the following violations:

Charge 1 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Valves to the People’s Republic of China Without the Required License

As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on one occasion on or about June 28, 2002, Cole-Parmer engaged in conduct prohibited by the Regulations by exporting valves, items classified under Export Control Classification Number (“ECCN”) 2B350 and controlled for reasons of chemical and biological weapons proliferation, to the People’s Republic of China (“PRC”) without the Department of Commerce license required by Section 742.2(a)(3) of the Regulations. In so doing, Cole-Parmer committed one violation of Section 764.2(a) of the Regulations.

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2006). The violations charged occurred during 2002, 2003, and 2004. The Regulations governing the violations at issue are found in the 2002, 2003, and 2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2002-2004)). The 2006 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 and the President, through Executive Order 13,222 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. 44,552 (Aug. 7, 2006)), has continued the Regulations in effect under the 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/>.

**Charges 2-5 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by
Exporting Valves to Pakistan Without the Required License**

As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on four occasions between on or about September 10, 2002 and on or about August 28, 2004, Cole-Parmer engaged in conduct prohibited by the Regulations by exporting valves, items classified under ECCN 2B350 and controlled for reasons of chemical and biological weapons proliferation, to Pakistan without the Department of Commerce licenses required by Section 742.2(a)(3) of the Regulations. In so doing, Cole-Parmer committed four violations of Section 764.2(a) of the Regulations.

**Charges 6-10 15 C.F.R. § 764.2(g) - Misrepresentation of Facts through False
Statement on Shipper's Export Declarations**

As described in greater detail in the attached Schedule of Violations, which is incorporated herein, on five occasions between on or about July 3, 2002 and on or about August 28, 2004, in connection with the transactions described in Charges 1-5, Cole-Parmer made false statements directly or indirectly to the U.S. Government in connection with the preparation and/or submission of export control documents. Specifically, Cole-Parmer filed or caused to be filed Shipper's Export Declarations ("SEDs") or Automated Export System ("AES") records with the U.S. Government stating that the items that were the subject of the SEDs or AES records qualified for export as "NLR," i.e., that no license was required. These representations were false, as licenses were required for the valves included in the shipments. SEDs and AES records are export control documents, as defined in Part 772 of the Regulations. In so doing, Cole-Parmer committed five violations of Section 764.2(g) of the Regulations.

* * * * *

Accordingly, Cole-Parmer 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.

³ See 15 C.F.R. § 6.4(a)(4) (2003-2004); 15 C.F.R. § 6.4(a)(4) (2002), *as corrected* by 68 Fed. Reg. 4,380 (Jan. 29, 2003), and 68 Fed. Reg. 69,001 (Dec. 11, 2003).

If Cole-Parmer 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. 15 C.F.R. §§ 766.6 and 766.7 (2006). If Cole-Parmer defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Cole-Parmer. 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.

Cole-Parmer 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. 15 C.F.R. § 766.6 (2006). Cole-Parmer is also 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 (2006).

The Regulations provide for settlement without a hearing. 15 C.F.R. § 766.18 (2006). Should Cole-Parmer have a proposal to settle this case, Cole-Parmer or its representative should transmit it through 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, Cole-Parmer'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 Cole-Parmer's answer must be served on BIS at the following address:

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

Thea D. R. Kendler is the attorney representing BIS in this case; any communications that Cole-Parmer may wish to have concerning this matter should occur through her. Ms. Kendler may be contacted by telephone at (202) 482-5301.

Sincerely,

Michael D. Turner
Director
Office of Export Enforcement

Enclosure