

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

In the Matter of:)
)
New England Trading Global Inc.)
389 W. Elm Street)
Pembroke, MA 02359)
)
Respondent)

ORDER RELATING TO NEW ENGLAND TRADING GLOBAL INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified New England Trading Global Inc. (“NET Global”), of its intention to initiate an administrative proceeding against NET Global pursuant to Section 766.18(a) of the Export Administration Regulations (the “Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),² through issuance of a proposed charging letter to NET Global that alleged that NET Global committed thirteen violations of the Regulations. Specifically, these charges are:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2010). The violations charged occurred during 2004, 2005 and 2006. The Regulations governing the violations at issue are found in the 2004, 2005 and 2006 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2004-06)). The 2010 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 12, 2010 (75 Fed. Reg. 50,681 (Aug. 16, 2010)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.* (2000)).

Charges 1-13

15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Sodium Cyanide and Potassium Cyanide to Israel Without the Required Licenses

On thirteen occasions between on or about September 22, 2004, and on or about December 29, 2006, NET Global engaged in conduct prohibited by the Regulations by exporting sodium cyanide and potassium cyanide, items classified under Export Control Classification Number ("ECCN") 1C350, controlled for reasons of chemical and biological weapons proliferation, and valued at \$242,779, to Israel without the Department of Commerce license required by Section 742.2 of the Regulations. In so doing, NET Global committed thirteen violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS and NET Global 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 \$365,000 is assessed against NET Global. Payment 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, NET Global has committed no violation of the Act, or any regulation, order, or license issued thereunder.

SECOND, 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.


David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Entered this 27 day of September, 2010.

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

In the Matter of:)
)
New England Trading Global Inc.)
389 W. Elm Street)
Pembroke, MA 02359)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between New England Trading Global Inc. (“NET Global”) 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 (2010)) (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 NET Global of its intention to initiate an administrative proceeding against it, pursuant to the Act and the Regulations;

¹ The violations alleged to have been committed occurred during 2004, 2005, and 2006. The Regulations governing the violations at issue are found in the 2004, 2005, and 2006 versions of the Code of Federal Regulations. *See* 15 C.F.R. Parts 730-774 (2004-06). The 2010 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 12, 2010 (75 Fed. Reg. 50,681 (Aug. 16, 2010)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.* (2000)).

WHEREAS, BIS has issued a proposed charging letter to NET Global that alleged that it committed thirteen violations of the Regulations, specifically:

Charges 1-13 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Sodium Cyanide and Potassium Cyanide to Israel Without the Required Licenses

On thirteen occasions between on or about September 22, 2004, and on or about December 29, 2006, NET Global engaged in conduct prohibited by the Regulations by exporting sodium cyanide and potassium cyanide, items classified under Export Control Classification Number ("ECCN") 1C350, controlled for reasons of chemical and biological weapons proliferation, and valued at \$242,779, to Israel without the Department of Commerce license required by Section 742.2 of the Regulations. In so doing, NET Global committed thirteen violations of Section 764.2(a) of the Regulations.

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

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

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

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

WHEREAS, NET Global agrees to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over NET Global, under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. The following sanction shall be imposed against NET Global in complete settlement of the alleged violations of the Regulations relating to the transactions detailed in the voluntary self-disclosure and the proposed charging letter:
 - a. NET Global shall be assessed a civil penalty in the amount of \$365,000, all of which 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, NET Global 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, NET Global 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 issued), 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 issued; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued.
4. Upon entry of the Order, BIS will not initiate any further administrative proceeding against NET Global 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 issued, available to the public.

Settlement Agreement
New England Trading Global Inc.
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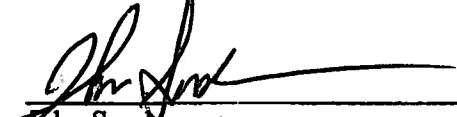
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial 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 issued, 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 issuing 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.

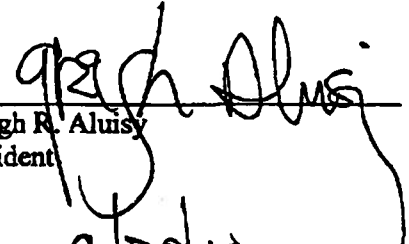
BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE



John Sonderman
Acting Director
Office of Export Enforcement

Date: 9/24/10

NEW ENGLAND TRADING GLOBAL
INC.



Greigh R. Aluisi
President

Date: 9/20/10

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

New England Trading Global Inc.
389 W. Elm Street
Pembroke, MA 02359

Attn: *Greigh R. Aluisy*
President

Dear Mr. Aluisy:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that New England Trading Global Inc. (“NET Global”), of Pembroke, Massachusetts, has committed thirteen 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 NET Global committed the following violations:

Charges 1-13 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Sodium Cyanide and Potassium Cyanide to Israel Without the Required Licenses

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on thirteen occasions between on or about September 22, 2004, and on or about December 29, 2006, NET Global engaged in conduct prohibited by the Regulations by exporting sodium cyanide and potassium cyanide, items classified under Export Control Classification Number (“ECCN”) 1C350, controlled for reasons of chemical and biological weapons proliferation, and valued at \$242,779, to Israel without the Department of Commerce license required by Section 742.2 of the Regulations. In so doing, NET Global committed thirteen violations 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 (2010). The charged violations occurred in 2004, 2005, and 2006. The Regulations governing the violations at issue are found in the 2004, 2005, and 2006 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2004-06)). The 2010 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 13, 2009 (74 Fed. Reg. 41,325 (Aug. 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

* * * * *

Accordingly, NET Global is hereby notified that an administrative proceeding is instituted against it pursuant to 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 the greater of \$250,000 per violation or twice the value of the transaction that is the basis of the violation;³
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If NET Global 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 (2010). If NET Global defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to NET Global. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

NET Global 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 (2010). NET Global is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. *See* 15 C.F.R. §§ 766.3(a) and 766.4 (2010).

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18 (2010). Should NET Global have a proposal to settle this case, NET Global or its representative should transmit it to the attorney representing BIS named below.

NET Global is further notified that under the Small Business Regulatory Enforcement Flexibility Act, NET Global may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, NET Global's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

³*See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

New England Trading Global Inc.
Proposed Charging Letter
Page 2 of 3

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

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

Chief Counsel for Industry and Security
Attention: Thea D. R. Kendler, Esq.
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 NET Global may wish to have concerning this matter should occur through her. Ms. Kendler may be contacted by telephone at (202) 482-5301.

Sincerely,

John Sonderman
Acting Director
Office of Export Enforcement

New England Trading Global Inc.
Proposed Charging Letter
Schedule of Violations

Charge	Date	Destination	Commodity	ECCN	Invoice No.	Amount (kg)	Value	Violation(s)
1	9/22/2004	Israel	Potassium Cyanide	1C350	306	3,406	\$9,546	15 C.F.R. § 764.2(a)
2	10/06/2004	Israel	Sodium Cyanide	1C350	307	5,561	\$7,397	15 C.F.R. § 764.2(a)
3	10/16/2004	Israel	Potassium Cyanide	1C350	309	8,868	\$16,323	15 C.F.R. § 764.2(a)
4	1/08/2005	Israel	Potassium Cyanide and Sodium Cyanide	1C350	329	10,288 (Sodium Cyanide) 935 (Potassium Cyanide)	\$20,965	15 C.F.R. § 764.2(a)
5	3/12/2005	Israel	Sodium Cyanide	1C350	342	1,800	\$7,740	15 C.F.R. § 764.2(a)
6	6/16/2005	Israel	Sodium Cyanide	1C350	381	9,714	\$18,419	15 C.F.R. § 764.2(a)
7	9/21/2005	Israel	Sodium Cyanide	1C350	422	15,204	\$27,659	15 C.F.R. § 764.2(a)
8	12/07/2005	Israel	Sodium Cyanide	1C350	456	9,773	\$18,173	15 C.F.R. § 764.2(a)
9	3/14/2006	Israel	Potassium Cyanide	1C350	539	1,588	\$3,829	15 C.F.R. § 764.2(a)
10	4/08/2006	Israel	Sodium Cyanide	1C350	576	16,535	\$33,589	15 C.F.R. § 764.2(a)
11	7/05/2006	Israel	Sodium Cyanide	1C350	654	12,813	\$24,128	15 C.F.R. § 764.2(a)
12	10/04/2006	Israel	Potassium Cyanide and Sodium Cyanide	1C350	739	9,600 (Sodium Cyanide) 800 (Potassium Cyanide)	\$22,804	15 C.F.R. § 764.2(a)
13	12/29/2006	Israel	Sodium Cyanide	1C350	844	12,752	\$32,207	15 C.F.R. § 764.2(a)