

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

In the Matters of:

Kesco Shipping Corporation
154-09 146th Avenue, 2/F
Jamaica, NY 11434

and

Multi-link Container Line, LLC
154-09 146th Avenue, 2/F
Jamaica, NY 11434

Respondents

ORDER RELATING TO
KESCO SHIPPING CORP. AND MULTI-LINK CONTAINER LINE, LLC

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Kesco Shipping Corporation, of Jamaica, New York (“Kesco”), and Multi-link Container Line, LLC of Jamaica, New York (“Multi-link”), of its intention to initiate administrative proceedings against Kesco and Multi-link pursuant to Section 766.3 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 the issuance of Proposed

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2012). The charged violations occurred in 2010. The Regulations governing the violations at issue are found in the 2010 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2012 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 12, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

Charging Letters to Kesco and Multi-link that allege that Kesco and Multi-link each committed one violation of the Regulations. Specifically, the charges are:

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

On one occasion on or about July 15, 2010, Kesco caused, aided, and abetted an act prohibited by the Regulations. Specifically, Kesco, acting as a freight forwarder, arranged for the export of scrap steel, items subject to the Regulations, designated EAR99,³ and valued at \$212,613.10, from the United States to People's Steel Mills, an entity in Pakistan listed on BIS's Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. The Shipper's Export Declaration filed in the Automated Export System for this export identified Kesco Shipping Corporation as the forwarding agent for this transaction. Kesco's actions caused, aided and abetted the attempted export of the scrap steel to People's Steel Mills without the Department of Commerce license required pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations. In so doing, Kesco committed one violation of Section 764.2(b) of the Regulations.

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

On one occasion on or about July 15, 2010, Multi-link caused, aided, and abetted an act prohibited by the Regulations. Specifically, Multi-link, acting as a freight forwarder, arranged for the export of scrap steel, items subject to the Regulations, designated EAR99,⁴ and valued at \$212,613.10, from the United States to People's Steel Mills, an entity in Pakistan listed on BIS's Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. On or about July 19, 2010, Multi-link issued an invoice to the exporter for its services. Multi-link's actions caused, aided and abetted the attempted export of the scrap steel to People's Steel Mills without the Department of Commerce license required pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations. In so doing, Multi-link committed one violation of Section 764.2(b) of the Regulations.

WHEREAS, BIS, Kesco and Multi-link 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;

³ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2010).

⁴ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2010).

IT IS THEREFORE ORDERED:

FIRST, Kesco and Multi-link shall be assessed a civil penalty in the amount of \$28,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of the Order. Kesco and Multi-link are jointly and severally liable for the payment of this civil penalty.

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, Kesco and Multi-link 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, an officer and/or export controls compliance manager of Kesco and of Multi-link shall each complete an export compliance training on the Regulations within twelve months from the date of the Order. Before these individuals attend a training course or program, Kesco and Multi-link shall notify the Office of Export Enforcement, Special Agent in Charge of the New York Field Office, of the course or program these individuals have selected to attend. No later than one month after attending the compliance course or program, Kesco and Multi-link shall each submit a certification of attendance from the training provider to the Office of Export Enforcement, Suite 104, 1200 South Avenue, Staten Island, NY 10314.

FOURTH, that the full and timely payment of the civil penalty in accordance with the payment schedule set forth above and the completion and submission of verification of attendance at an export compliance training as set forth above, are hereby made

conditions to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Kesco and/or Multi-link. Accordingly, if Kesco and/or Multi-link should fail to pay the civil penalty in a full and timely manner or complete and submit verification of attendance of an export compliance training, the undersigned may issue an Order denying all of Kesco's and/or Multi-link's export privileges under the Regulations for a period of one year from the date of failure to make such payment or complete and submit verification of attendance of an export compliance training.

FIFTH, that the Proposed Charging Letters, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in these matters, is effective immediately.



Donald G. Salo, Jr.
Acting Assistant Secretary of Commerce
for Export Enforcement

Issued this 24th day of July, 2012.

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

In the Matters of:

Kesco Shipping Corporation
154-09 146th Avenue, 2/F
Jamaica, NY 11434

and

Multi-link Container Line, LLC
154-09 146th Avenue, 2/F
Jamaica, NY 11434

Respondents

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Kesco Shipping Corporation (“Kesco”) of Jamaica, New York, Multi-link Container Line, LLC of Jamaica, New York (“Multi-link”), 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 (the “Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (the “Act”).²

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2012). The charged violations occurred in 2010. The Regulations governing the violations at issue are found in the 2010 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2012 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 12, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

WHEREAS, BIS has notified Kesco and Multi-link of its intentions to initiate administrative proceedings against Kesco and Multi-link, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued Proposed Charging Letters to Kesco and Multi-link that allege that Kesco and Multi-link each committed one violation of the Regulations, specifically:

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

On one occasion on or about July 15, 2010, Kesco caused, aided, and abetted an act prohibited by the Regulations. Specifically, Kesco, acting as a freight forwarder, arranged for the export of scrap steel, items subject to the Regulations, designated EAR99,³ and valued at \$212,613.10, from the United States to People's Steel Mills, an entity in Pakistan listed on BIS's Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. The Shipper's Export Declaration filed in the Automated Export System for this export identified Kesco Shipping Corporation as the forwarding agent for this transaction. Kesco's actions caused, aided and abetted the attempted export of the scrap steel to People's Steel Mills without the Department of Commerce license required pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations. In so doing, Kesco committed one violation of Section 764.2(b) of the Regulations.

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

On one occasion on or about July 15, 2010, Multi-link caused, aided, and abetted an act prohibited by the Regulations. Specifically, Multi-link, acting as a freight forwarder, arranged for the export of scrap steel, items subject to the Regulations, designated EAR99,⁴ and valued at \$212,613.10, from the United States to People's Steel Mills, an entity in Pakistan listed on BIS's Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. On or about July 19, 2010, Multi-link issued an invoice to the exporter for its services. Multi-link's actions caused, aided and abetted the attempted export of the scrap steel to People's Steel Mills without the Department of Commerce license required pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations. In so doing, Multi-link committed one violation of Section 764.2(b) of the Regulations.

³ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2010).

⁴ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2010).

WHEREAS, Kesco and Multi-link have reviewed the Proposed Charging Letters and are aware of the allegations made against them and the administrative sanctions that could be imposed against them if the allegations are found to be true;

WHEREAS, Kesco and Multi-link fully understand 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 these matters;

WHEREAS, Kesco and Multi-link enter into this Agreement voluntarily and with full knowledge of their rights, after having consulted with counsel;

WHEREAS, Kesco and Multi-link state that no promises or representations have been made to them other than the agreements and considerations herein expressed;

WHEREAS, Kesco and Multi-link neither admit nor deny the allegations contained in the Proposed Charging Letters;

WHEREAS, Kesco and Multi-link wish to settle and dispose of all matters alleged in the Proposed Charging Letters by entering into this Agreement; and

WHEREAS, Kesco and Multi-link agree to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree, for purposes of this Settlement Agreement, as follows:

1. BIS has jurisdiction over Kesco and Multi-link, under the Regulations, in connection with the matters alleged in the Proposed Charging Letters.
2. The following sanction shall be imposed against Kesco and Multi-link in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the Proposed Charging Letters:

a. Kesco and Multi-link shall be assessed a civil penalty in the amount of \$28,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of the Order. Kesco and Multi-link are jointly and severally liable for the payment of this civil penalty. Payment shall be made in the manner specified in the attached instructions.

b. An officer and/or export controls compliance manager of Kesco and of Multi-link shall each complete an export compliance training on the Regulations within twelve months from the date of the Order. Before these individuals attend a training course or program, Kesco and Multi-link shall notify the Office of Export Enforcement, Special Agent in Charge of the New York Field Office, of the course or program these individuals have selected to attend. No later than one month after attending the compliance course or program, Kesco and Multi-link shall each submit a certification of attendance from the training provider to the Office of Export Enforcement, Suite 104, 1200 South Avenue, Staten Island, NY 10314.

c. The full and timely payment of the civil penalty agreed to in Paragraph 2.a and the timely completion and submission of verification of attendance at an export compliance training in Paragraph 2.b, are hereby made conditions to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Kesco and/or Multi-link. Failure to make full and timely payment of the civil penalty or to complete and submit verification of attendance at an export compliance training as set forth above, may result in the denial of all of Kesco's and/or Multi-link's export privileges under the Regulations for one year from the

date of the failure to make such payment or to complete and submit verification of attendance at an export compliance training.

3. Subject to the approval of this Agreement pursuant to Paragraph 7 hereof, Kesco and Multi-link hereby waive 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. Kesco and Multi-link also waive and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, in connection with any violation of the Act or the Regulations arising out of the transactions identified in the Proposed Charging Letters or in connection with collection of the civil penalty or enforcement of this Agreement and the Order, if issued, from the date of the Order until the later of the date Kesco and/or Multi-link pay in full the civil penalty agreed to in Paragraph 2.a of this Agreement or have completed and submitted verification of attendance at an export compliance training in Paragraph 2.b.

4. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a and completion and submission of verification of attendance at an export compliance training in Paragraph 2.b, BIS will not initiate any further administrative proceeding against Kesco and/or Multi-link in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letters.

5. 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.

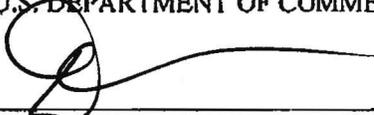
6. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department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

7. 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.

8. BIS will make the Proposed Charging Letters, this Agreement, and the Order, if issued, available to the public.

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



Douglas R. Hassebrock
Director of Export Enforcement

Date: _____

7/24/12

KESCO SHIPPING CORP.



Edmond Fong
President

Date: _____

7/16/12

MULTI-LINK CONTAINER LINE, LLC

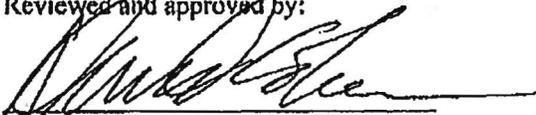


Reinhard Schlender
Vice-President

Date: _____

7/16/12

Reviewed and approved by:



David Cohen, Esq.
David Cohen, Esq. P.C.
Counsel for Kesco Shipping Corp. and Multi-
link Container Line, LLC

Date: _____

7/10/12

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Multi-link Container Line, LLC
154-09 146th Avenue, 2/F
Jamaica, NY 11434

*Attention: Rein Hard
Member*

Dear Mr. Hard:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Multi-link Container Line, LLC, of Jamaica, New York (“Multi-link”), has committed one violation of the Export Administration Regulations (the “Regulations”),¹ which issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS charges that Multi-link committed the following violation:

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

On one occasion on or about July 15, 2010, Multi-link caused, aided, and abetted an act prohibited by the Regulations. Specifically, Multi-link, acting as a freight forwarder, arranged for the export of scrap steel, items subject to the Regulations, designated EAR99,³ and valued at \$212,613.10, from the United States to People’s Steel Mills, an entity in Pakistan listed on BIS’s Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. On or about July 19, 2010, Multi-link issued an invoice to the exporter for its services. Multi-link’s actions caused, aided and abetted the attempted export of the scrap steel to People’s Steel Mills without the Department of Commerce license required pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations. In so doing, Multi-link committed one violation of Section 764.2(b) of the Regulations.

* * * * *

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The violation charged occurred in 2010. The Regulations governing the violation at issue are found in the 2010 version of the Code of Federal Regulations. See 15 C.F.R. Parts 730-774 (2010). The 2011 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, though 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, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*).

³ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2010).

Accordingly, Multi-link 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 the greater of \$250,000 per violation, or twice the value of the transaction that is the basis of the violation;⁴
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If Multi-link fails to answer the charge 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 (2011). If Multi-link defaults, the Administrative Law Judge may find the charge alleged in this letter to be true without a hearing or further notice to Multi-link. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty based on the charge in this letter.

Multi-link is hereby 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 (2011). Multi-link 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 (2011).

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

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18 (2011). Should Multi-link have a proposal to settle this case, Multi-link or its 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, Multi-link'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 Multi-link's answer must be served on BIS at the following address:

⁴ *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

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

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Kesco Shipping Corporation
154-09 146th Avenue, 2/F
Jamaica, NY 11434

*Attention: Edmond Fong
President*

Dear Mr. Fong:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Kesco Shipping Corporation of Jamaica, New York, has committed one violation of the Export Administration Regulations (the “Regulations”),¹ which issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS charges that Kesco committed the following violation:

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

On one occasion on or about July 15, 2010, Kesco caused, aided, and abetted an act prohibited by the Regulations. Specifically, Kesco, acting as a freight forwarder, arranged for the export of scrap steel, items subject to the Regulations, designated EAR99,³ and valued at \$212,613.10, from the United States to People’s Steel Mills, an entity in Pakistan listed on BIS’s Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. The Shipper’s Export Declaration filed in the Automated Export System for this export identified Kesco Shipping Corporation as the forwarding agent for this transaction. Kesco’s actions caused, aided and abetted the attempted export of the scrap steel to People’s Steel Mills without the Department of Commerce license required pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations. In so doing, Kesco committed one violation of Section 764.2(b) of the Regulations.

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2012). The violation charged occurred in 2010. The Regulations governing the violation at issue are found in the 2010 version of the Code of Federal Regulations. See 15 C.F.R. Parts 730-774 (2010). The 2012 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, though 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, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*).

³ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2010).

* * * * *

Accordingly, Kesco 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 the greater of \$250,000 per violation, or twice the value of the transaction that is the basis of the violation;⁴
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If Kesco fails to answer the charge 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 (2011). If Kesco defaults, the Administrative Law Judge may find the charge alleged in this letter to be true without a hearing or further notice to Kesco. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty based on the charge in this letter.

Kesco is hereby 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 (2011). Kesco 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 (2011).

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

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18 (2011). Should Kesco have a proposal to settle this case, Kesco or its 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, Kesco'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

⁴ *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

Baltimore, Maryland 21202-4022

In addition, a copy of Kesco'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 Kendler is the attorney representing BIS in this case; any communications that Kesco may wish to have concerning this matter should occur through her. Ms. Kendler may be contacted by telephone at (202) 482-5301.

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement