

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

In the Matter of:

Access USA Shipping, LLC
d/b/a MyUS.com
f/k/a Access USA Shipping, Inc.
4299 Express Lane
Sarasota, Florida 34238

Respondent

ORDER RELATING TO
ACCESS USA SHIPPING, LLC, D/B/A MYUS.COM

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Access USA Shipping, LLC, d/b/a MyUS.com and f/k/a Access USA Shipping, Inc., of Sarasota, Florida (“Access”), of its intention to initiate an administrative proceeding against Access 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 a Proposed Charging Letter to Access that alleges that Access committed one hundred fifty (150) violations of the Regulations. Specifically, the charges are:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2016). The violations alleged occurred in 2011-2013. The Regulations governing the violations at issue are found in the 2011-2013 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2016 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (available online at <http://uscode.house.gov>). 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 4, 2016 (81 Fed. Reg. 52,587 (Aug. 8, 2016)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq.) (2006 & Supp. IV 2010).

Charges 1-129 15 C.F.R. § 764.2(h) – Evasion

1. As further described in additional detail on the attached Schedule of Violations, which is incorporated herein, on one hundred twenty-nine (129) occasions beginning on or about April 21, 2011, and continuing through on or about January 7, 2013, Access engaged in transactions or took other actions to evade the Regulations. Specifically, Access took actions that enabled foreign customers to purchase items subject to the Regulations through Access without U.S. merchants knowing the items were intended for export and that were designed at least in part to avoid detection by the U.S. Government and law enforcement. These actions included mis-describing and undervaluing the items in false export control documents; undervaluing the items improperly to avoid the filing of the required export control documents; allowing foreign customers to place orders through Access employees to avoid export scrutiny; destroying or altering export control documents; and failing to maintain records related to export transactions.
2. At all times pertinent hereto, Access provided foreign customers with a U.S. physical address for items purchased from U.S. merchants for ultimate export from the United States. For a fee, Access provided such customers a “suite,” which is a designated place or space at Access’s warehouse facilities to which customers could have items delivered from U.S. merchants. When Access received items that a foreign customer had ordered from a U.S. merchant, Access employees entered into Access’s order management system information regarding the name of the merchant, shipment tracking number, a detailed description of the item, and the value of the item. Before the shipment was exported from the United States, however, Access employees would revise the original item information, including the item’s value and/or its description, to generate an invoice that would avoid U.S. export control scrutiny. At times, Access’s order system included account notes that directed packaging or price tags to be removed.
3. Access also offered a “personal shopper program” or “alternative program” under which Access or an Access employee was presented to U.S. merchants as the purchaser and/or end-user where foreign customers were seeking products from U.S. merchants that did not accept foreign payment methods or had raised concerns that Access was not an end user and refused to sell or ship to Access because they wished to prevent the export of their goods, such as companies that sell weapons and related parts. Through this evasive program, Access purchased items for export to its foreign customers without informing the U.S. merchants that the items were intended for export. Foreign customers would email an Access employee their shopping list, and the Access employee would purchase the items using credit cards and PayPal accounts in the name of Eric Baird, Access’s founder and then-owner and CEO, or using a credit card account opened in the name of the individual employee, whom Access would subsequently reimburse. At times, shipments were delivered to the homes of Access employees

to ensure that the U.S. merchant would be misled to believe that Access was not involved in the transaction.

4. Access routinely undervalued items intended for export using multiple different undervaluing strategies or schemes. Access internally described the value of a commodity as either “retail” or “wholesale” based, in part, on the customer’s preference. If a commodity was “wholesale,” then it could be declared at 50% off its actual or estimated value; whereas “retail” described a commodities’ actual or estimated value. In later iterations of this scheme, Access revised its approach to adjust declared values based on the destination country. For “wholesale” countries, the declared value could be reduced by up to 50%, whereas for “retail” countries, the declared value could be reduced by up to 25%. Some of these practices were memorialized in Access’s Customer Service Training Manual dated October 2012, which also included specific instructions that permitted customer service representatives to reduce declared values on export control documents.
5. Beginning in or about late 2011, Access also modified its order system to enable undervaluing by a set percentage based on the country of destination for the export, if there was no U.S. merchant’s invoice or no value listed on the U.S. merchant’s invoice. In doing so, Access typically ignored detailed information already in its order system concerning the item and its actual or estimated value as entered by an Access customer representative when Access received the shipment from the U.S. merchant.
6. Access also routinely provided misleading item descriptions, including for items listed under the Regulations on the Commerce Control List (“CCL”) and subject to license requirements. For example, night vision lenses were described as “camera lenses”; optical sights as “garage tool kits”; laser sights and weapons parts as “tools and hardware”; rifle scopes as “sporting goods,” “tools and hardware,” or “tools or handtools”; and other gun or weapon parts as “sporting goods accessories,” “fishing tools and spare parts,” or “tailoring tools.” In one instance, rifle stocks and grips were described as “toy accessories.” Access’s Customer Service Training Manual provided instructions on how to alter descriptions of items so as to avoid export control scrutiny and detection, including those related to firearms and related parts that were considered prohibited or restricted items.
7. At all relevant times, Access knew of the Regulations and its export control compliance obligations, including with regard to SED and AES filing requirements, and received extensive information from the U.S. Government and other sources concerning standard, effective compliance policies and practices.
8. On several occasions, BIS and other U.S. Government agencies conducted outreach visits to Access, including its then-owner and -CEO Eric Baird. For example, on July 11, 2007, BIS’s Office of Export Enforcement (“OEE”)

conducted an outreach visit to Access, during which a BIS Special Agent met with an Access employee for two hours providing oral and written information on the Regulations and the export control lists to check, including BIS's Entity List, in order to comply with the EAR and other U.S. export control laws and regulations. In addition, the BIS Special Agent met with CEO Eric Baird, explaining that items should be checked for export license requirements and that customers should be screened. Access subsequently received Shield America outreach visits from the Department of Homeland Security, Homeland Security Investigations ("HSI") on March 27, 2009, June 9, 2010, and January 10, 2012, respectively, during which HSI special agents provided similar information. In addition, a BIS Special Agent provided detailed information on properly valuing items on export control documents during a telephone discussion with CEO Eric Baird on January 18, 2012, and a related follow-up email with him. The OEE Special Agent also emphasized the need to screen customers to ensure compliance with the Regulations.

9. Access understood this information, but either ignored it and its compliance obligations under the Regulations or abandoned initial or limited compliance-related steps. Internal Access documents indicate that by no later than March 2008, Access understood that SED filings (today called AES filings) (hereinafter "SED/AES filings") must be made for each export of items subject to the Regulations when the value of the items under a single Schedule B number or Harmonized Tariff Schedule number is more than \$2,500. Access and then-CEO Eric Baird were also involved in email communications with employees of one private package carrier in March 2008, in which SED/AES filing requirements were discussed in detail, including specifically that SED/AES filings were required for shipments valued at more than \$2,500 for an individual Schedule B number.³ Subsequently, in 2009 and 2010, employees of another private package carrier warned Access's management, that Access needed to change its policies and practices relating to how it described and valued items, including re-stating item descriptions and values. On a number of occasions during 2009-2012, the same private package carrier told Access that it needed to validate export descriptions and use the price on vendor's sales invoices as the declared value for exports.
10. Although Access routinely certified that shipments were in compliance with the Regulations on an Access generated invoice, this certification was routinely false, as Access either failed to make the required SED/AES filing or caused the making of false or misleading SED/AES filings concerning the value of the items and/or the description of the items. In addition, internal Access emails, including correspondence between its then-CEO Eric Baird and its then-Chief Technology Officer ("CTO") indicate that Access and senior company officials were aware of the potential sanctions for false or misleading statements on SED/AES filings. In

³ A Schedule B number is a ten-digit number used in the United States to classify physical goods for export to another country.

emails to CEO Eric Baird, in September 2011, the CTO provided information on a BIS enforcement case involving false or misleading reporting of declared value on export documents. In an email dated September 20, 2011, she included information describing BIS's imposition of civil penalties in a case involving repeated undervaluing of exports on SEDs and stated, inter alia: "I will not be a party to [undervaluation]. I know we're doing it now. I know we have the means to avoid doing it. I know we are WILLINGLY AND INTENTIONALLY breaking the law." (Emphasis in original). In the same email chain later that day, Eric Baird suggested that Access could undervalue by 25% and that if Access was "warned by [the U.S.] government," then it "can stop ASAP."

11. Access resumed undervaluing exports and its related violations of the Regulations despite knowing that the conduct was unlawful and risked the imposition of significant penalties. Almost immediately following this September 20, 2011 email exchange, Eric Baird and Access's CTO discussed on September 21, 2011, how Access's order system would be modified to either automatically or manually undervalue. The order system would be and was in fact modified to enable undervaluing by a set percentage based on the country of destination for the export if there was no U.S. merchant's invoice or no value listed on the U.S. merchant's invoice. In doing so, Access typically ignored detailed information already in its order system concerning the U.S. merchant and/or concerning the item and its actual or estimated value as entered by either the foreign customer or an Access customer representative when Access received the shipment from the merchant. However, when a U.S. merchant's invoice was included in a package received from a U.S. merchant, Access would remove the invoice at its customer's request, both before and after the September 2011 modification of the order system.
12. In so doing, Access committed one hundred twenty-nine (129) violations of Section 764.2(h) of the Regulations.

Charges 130-146 15 C.F.R. § 764.2(a) – Engaging in Conduct Prohibited by the Regulations by Exporting or Attempting To Export Crime Control Items without the Required License

13. As further described in additional detail on the attached Schedule of Violations, which is incorporated herein, on seventeen (17) occasions between on or about August 23, 2011, and on or about January 24, 2013, Access engaged in conduct prohibited by the Regulations when it exported or attempted to export items classified under Export Control Classification Number ("ECCN") 0A987 and controlled for Crime Control reasons without the BIS export licenses required

pursuant to Section 742.7 of the Regulations.⁴ The destinations included Argentina, Austria, Hong Kong, Indonesia, Libya, South Africa and Sweden.

14. In so doing, Access committed seventeen (17) violations of Section 764.2(a) of the Regulations.

Charges 147-150 15 C.F.R. § 764.2(a) – Engaging in Conduct Prohibited by the Regulations by Exporting or Attempting To Export Items Subject to the Regulations to a Listed Entity without the Required License

15. As further described in additional detail in the attached Schedule of Violations, which is incorporated herein, on four occasions between on or about October 17, 2012, and on or about February 15, 2013, Access engaged in conduct prohibited by the Regulations when it exported or attempted to export items subject to the Regulations from the United States to Transsphere Oy in Finland without the BIS license required pursuant to Section 744.11 and Supplement No. 4 to Part 744 of the Regulations. The items were classified under ECCN 5A991 and controlled for anti-terrorism reasons, or were designated EAR99.⁵ Transsphere Oy is a Finnish entity listed on BIS's Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. It was added to the Entity List on October 9, 2012, 77 Fed. Reg. 61249-61251, 612656-61257 (Oct. 9, 2012), for being a "part of a network of companies involved in the procurement and delivery of items subject to the EAR and the International Traffic in Arms Regulations to Russia in violation of the EAR and ITAR." The listing specifically included and continues to include the alias Transsphere Oy Ltd. (as well as the alias Transsphere Limited Oy), and at all times pertinent hereto, a license was required in order to export any item subject to the Regulations to this entity.

16. Access was aware of the Entity List and the need to screen exports against it to determine whether a license was required, as set forth in Paragraph 8 above and as realleged herein, based upon information provided directly to Access by special agents from BIS's OEE and the Department of Homeland Security. In addition, as early as December 1, 2010, Access's website stated that the company would not ship to "persons and/or entities identified on any U.S. Department of Commerce Denied Persons List, Entity List of [sic] proliferation concern."

17. In so doing, Access committed four violations of Section 764.2(a) of the Regulations.

⁴ Two of the four exports to Transsphere Oy were completed, while the other two shipments were detained by the U.S. Government.

⁵ EAR99 is a designation for items that are subject to the Regulations, but not listed on the Commerce Control List, which is set forth at Supplement No. 1 to Part 774 of the Regulations. 15 C.F.R. § 774.1 (2015).

WHEREAS, BIS and Access 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 taken into consideration the admissions of liability by Access set forth in the Settlement Agreement with regard to each of the allegations contained and violations alleged in the Proposed Charging Letter; and

WHEREAS, I have also taken into consideration the Non-Prosecution Agreement (“NPA”) that Access has entered into with the U.S. Attorney’s Office for the Middle District of Florida; and

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, Access shall be assessed a civil penalty in the amount of \$27,000,000. Access shall pay the U.S. Department of Commerce in two installments of: \$7,000,000 not later than 30 days from the date of this Order; and \$3,000,000 not later than 120 days from the date of this Order. Payment of the remaining \$17,000,000 shall be suspended for a period of two (2) years from the date of this Order, and thereafter shall be waived, provided that during this two-year payment probationary period under this Order, Access has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder, has made full and timely payment of \$10,000,000 as set forth above and has complied with all other terms of the Settlement Agreement, and has committed no violation of the NPA. If either of the two installment payments is not fully and timely made, any remaining scheduled installment payment and any suspended penalty may become due and owing immediately.

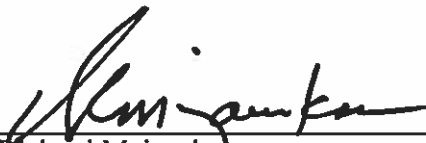
SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and if payment is not made by the due date specified herein, Access will be assessed, in addition 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 full and timely payment of the civil penalty in accordance with the payment schedule set forth above, compliance with all other provisions of the Settlement Agreement, and compliance with the NPA, are 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 Access. Accordingly, if Access should fail to pay the civil penalty in a full and timely manner, fail to comply with any other provision of the Settlement Agreement, or fail to comply with the terms of the NPA, the undersigned may issue an order denying all of Access's export privileges under the Regulations for a period of one year from, as may be applicable, the date of the failure to make full or timely payment or the date on which it has been determined that a violation of another provision of the Settlement Agreement or a violation of the NPA has occurred.

FOURTH, Access shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or this Order. The foregoing does not affect Access's testimonial obligations in any proceeding to which BIS or the Department of Commerce is not a party.

FIFTH, 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.


Richard Majauskas
Acting Assistant Secretary of Commerce
for Export Enforcement

Issued this 9th day of February, 2017.

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

In the Matter of:

Access USA Shipping, LLC
d/b/a MyUS.com
f/k/a Access USA Shipping, Inc.
4299 Express Lane
Sarasota, Florida 34238

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Access USA Shipping, LLC, d/b/a MyUS.com and f/k/a Access USA Shipping, Inc., of Sarasota, Florida (“Access”), 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

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

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2016). The violations alleged occurred during 2011-2013. The Regulations governing the violations at issue are found in the 2011-2013 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2016 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (available online at <http://uscode.house.gov>). 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 4, 2016 (81 Fed. Reg. 52,587 (Aug. 8, 2016)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq.) (2006 & Supp. IV 2010).

WHEREAS, BIS has issued a Proposed Charging Letter to Access that alleges that Access committed one hundred fifty (150) violations of the Regulations, specifically:

Charges 1-129 15 C.F.R. § 764.2(h) – Evasion

1. As further described in additional detail on the attached Schedule of Violations, which is incorporated herein, on one hundred twenty-nine (129) occasions beginning on or about April 21, 2011, and continuing through on or about January 7, 2013, Access engaged in transactions or took other actions to evade the Regulations. Specifically, Access took actions that enabled foreign customers to purchase items subject to the Regulations through Access without U.S. merchants knowing the items were intended for export and that were designed at least in part to avoid detection by the U.S. Government and law enforcement. These actions included mis-describing and undervaluing the items in false export control documents; undervaluing the items improperly to avoid the filing of the required export control documents; allowing foreign customers to place orders through Access employees to avoid export scrutiny; destroying or altering export control documents; and failing to maintain records related to export transactions.
2. At all times pertinent hereto, Access provided foreign customers with a U.S. physical address for items purchased from U.S. merchants for ultimate export from the United States. For a fee, Access provided such customers a “suite,” which is a designated place or space at Access’s warehouse facilities to which customers could have items delivered from U.S. merchants. When Access received items that a foreign customer had ordered from a U.S. merchant, Access employees entered into Access’s order management system information regarding the name of the merchant, shipment tracking number, a detailed description of the item, and the value of the item. Before the shipment was exported from the United States, however, Access employees would revise the original item information, including the item’s value and/or its description, to generate an invoice that would avoid U.S. export control scrutiny. At times, Access’s order system included account notes that directed packaging or price tags to be removed.
3. Access also offered a “personal shopper program” or “alternative program” under which Access or an Access employee was presented to U.S. merchants as the purchaser and/or end-user where foreign customers were seeking products from U.S. merchants that did not accept foreign payment methods or had raised concerns that Access was not an end user and refused to sell or ship to Access because they wished to prevent the export of their goods, such as companies that sell weapons and related parts. Through this evasive program, Access purchased items for export to its foreign customers without informing the U.S. merchants that the items were intended for export. Foreign customers would email an Access employee their shopping list, and the Access employee would purchase the items using credit cards and PayPal accounts in the name of Eric Baird,

Access's founder and then-owner and CEO, or using a credit card account opened in the name of the individual employee, whom Access would subsequently reimburse. At times, shipments were delivered to the homes of Access employees to ensure that the U.S. merchant would be misled to believe that Access was not involved in the transaction.

4. Access routinely undervalued items intended for export using multiple different undervaluing strategies or schemes. Access internally described the value of a commodity as either "retail" or "wholesale" based, in part, on the customer's preference. If a commodity was "wholesale," then it could be declared at 50% off its actual or estimated value; whereas "retail" described a commodities' actual or estimated value. In later iterations of this scheme, Access revised its approach to adjust declared values based on the destination country. For "wholesale" countries, the declared value could be reduced by up to 50%, whereas for "retail" countries, the declared value could be reduced by up to 25%. Some of these practices were memorialized in Access's Customer Service Training Manual dated October 2012, which also included specific instructions that permitted customer service representatives to reduce declared values on export control documents.
5. Beginning in or about late 2011, Access also modified its order system to enable undervaluing by a set percentage based on the country of destination for the export, if there was no U.S. merchant's invoice or no value listed on the U.S. merchant's invoice. In doing so, Access typically ignored detailed information already in its order system concerning the item and its actual or estimated value as entered by an Access customer representative when Access received the shipment from the U.S. merchant.
6. Access also routinely provided misleading item descriptions, including for items listed under the Regulations on the Commerce Control List ("CCL") and subject to license requirements. For example, night vision lenses were described as "camera lenses"; optical sights as "garage tool kits"; laser sights and weapons parts as "tools and hardware"; rifle scopes as "sporting goods," "tools and hardware," or "tools or handtools"; and other gun or weapon parts as "sporting goods accessories," "fishing tools and spare parts," or "tailoring tools." In one instance, rifle stocks and grips were described as "toy accessories." Access's Customer Service Training Manual provided instructions on how to alter descriptions of items so as to avoid export control scrutiny and detection, including those related to firearms and related parts that were considered prohibited or restricted items.
7. At all relevant times, Access knew of the Regulations and its export control compliance obligations, including with regard to SED and AES filing requirements, and received extensive information from the U.S. Government and other sources concerning standard, effective compliance policies and practices.

8. On several occasions, BIS and other U.S. Government agencies conducted outreach visits to Access, including its then-owner and -CEO Eric Baird. For example, on July 11, 2007, BIS's Office of Export Enforcement ("OEE") conducted an outreach visit to Access, during which a BIS Special Agent met with an Access employee for two hours providing oral and written information on the Regulations and the export control lists to check, including BIS's Entity List, in order to comply with the EAR and other U.S. export control laws and regulations. In addition, the BIS Special Agent met with CEO Eric Baird, explaining that items should be checked for export license requirements and that customers should be screened. Access subsequently received Shield America outreach visits from the Department of Homeland Security, Homeland Security Investigations ("HSI") on March 27, 2009, June 9, 2010, and January 10, 2012, respectively, during which HSI special agents provided similar information. In addition, a BIS Special Agent provided detailed information on properly valuing items on export control documents during a telephone discussion with CEO Eric Baird on January 18, 2012, and a related follow-up email with him. The OEE Special Agent also emphasized the need to screen customers to ensure compliance with the Regulations.
9. Access understood this information, but either ignored it and its compliance obligations under the Regulations or abandoned initial or limited compliance-related steps. Internal Access documents indicate that by no later than March 2008, Access understood that SED filings (today called AES filings) (hereinafter "SED/AES filings") must be made for each export of items subject to the Regulations when the value of the items under a single Schedule B number or Harmonized Tariff Schedule number is more than \$2,500. Access and then-CEO Eric Baird were also involved in email communications with employees of one private package carrier in March 2008, in which SED/AES filing requirements were discussed in detail, including specifically that SED/AES filings were required for shipments valued at more than \$2,500 for an individual Schedule B number.³ Subsequently, in 2009 and 2010, employees of another private package carrier warned Access's management, that Access needed to change its policies and practices relating to how it described and valued items, including re-stating item descriptions and values. On a number of occasions during 2009-2012, the same private package carrier told Access that it needed to validate export descriptions and use the price on vendor's sales invoices as the declared value for exports.
10. Although Access routinely certified that shipments were in compliance with the Regulations on an Access generated invoice, this certification was routinely false, as Access either failed to make the required SED/AES filing or caused the making of false or misleading SED/AES filings concerning the value of the items and/or the description of the items. In addition, internal Access emails, including

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correspondence between its then-CEO Eric Baird and its then-Chief Technology Officer (“CTO”) indicate that Access and senior company officials were aware of the potential sanctions for false or misleading statements on SED/AES filings. In emails to CEO Eric Baird, in September 2011, the CTO provided information on a BIS enforcement case involving false or misleading reporting of declared value on export documents. In an email dated September 20, 2011, she included information describing BIS’s imposition of civil penalties in a case involving repeated undervaluing of exports on SEDs and stated, inter alia: “I will not be a party to [undervaluation]. I know we’re doing it now. I know we have the means to avoid doing it. I know we are WILLINGLY AND INTENTIONALLY breaking the law.” (Emphasis in original). In the same email chain later that day, Eric Baird suggested that Access could undervalue by 25% and that if Access was “warned by [the U.S.] government,” then it “can stop ASAP.”

11. Access resumed undervaluing exports and its related violations of the Regulations despite knowing that the conduct was unlawful and risked the imposition of significant penalties. Almost immediately following this September 20, 2011 email exchange, Eric Baird and Access’s CTO discussed on September 21, 2011, how Access’s order system would be modified to either automatically or manually undervalue. The order system would be and was in fact modified to enable undervaluing by a set percentage based on the country of destination for the export if there was no U.S. merchant’s invoice or no value listed on the U.S. merchant’s invoice. In doing so, Access typically ignored detailed information already in its order system concerning the U.S. merchant and/or concerning the item and its actual or estimated value as entered by either the foreign customer or an Access customer representative when Access received the shipment from the merchant. However, when a U.S. merchant’s invoice was included in a package received from a U.S. merchant, Access would remove the invoice at its customer’s request, both before and after the September 2011 modification of the order system.
12. In so doing, Access committed one hundred twenty-nine (129) violations of Section 764.2(h) of the Regulations.

Charges 130-146 15 C.F.R. § 764.2(a) – Engaging in Conduct Prohibited by the Regulations by Exporting or Attempting To Export Crime Control Items without the Required License

13. As further described in additional detail on the attached Schedule of Violations, which is incorporated herein, on seventeen (17) occasions between on or about August 23, 2011, and on or about January 24, 2013, Access engaged in conduct prohibited by the Regulations when it exported or attempted to export items classified under Export Control Classification Number (“ECCN”) 0A987 and controlled for Crime Control reasons without the BIS export licenses required

pursuant to Section 742.7 of the Regulations.⁴ The destinations included Argentina, Austria, Hong Kong, Indonesia, Libya, South Africa and Sweden.

14. In so doing, Access committed seventeen (17) violations of Section 764.2(a) of the Regulations.

Charges 147-150 15 C.F.R. § 764.2(a) – Engaging in Conduct Prohibited by the Regulations by Exporting or Attempting To Export Items Subject to the Regulations to a Listed Entity without the Required License

15. As further described in additional detail in the attached Schedule of Violations, which is incorporated herein, on four occasions between on or about October 17, 2012, and on or about February 15, 2013, Access engaged in conduct prohibited by the Regulations when it exported or attempted to export items subject to the Regulations from the United States to Transsphere Oy in Finland without the BIS license required pursuant to Section 744.11 and Supplement No. 4 to Part 744 of the Regulations. The items were classified under ECCN 5A991 and controlled for anti-terrorism reasons, or were designated EAR99.⁵ Transsphere Oy is a Finnish entity listed on BIS's Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. It was added to the Entity List on October 9, 2012, 77 Fed. Reg. 61249-61251, 612656-61257 (Oct. 9, 2012), for being a "part of a network of companies involved in the procurement and delivery of items subject to the EAR and the International Traffic in Arms Regulations to Russia in violation of the EAR and ITAR." The listing specifically included and continues to include the alias Transsphere Oy Ltd. (as well as the alias Transsphere Limited Oy), and at all times pertinent hereto, a license was required in order to export any item subject to the Regulations to this entity.
16. Access was aware of the Entity List and the need to screen exports against it to determine whether a license was required, as set forth in Paragraph 8 above and as realleged herein, based upon information provided directly to Access by special agents from BIS's OEE and the Department of Homeland Security. In addition, as early as December 1, 2010, Access's website stated that the company would not ship to "persons and/or entities identified on any U.S. Department of Commerce Denied Persons List, Entity List of [sic] proliferation concern."

⁴ Two of the four exports to Transsphere Oy were completed, while the other two shipments were detained by the U.S. Government.

⁵ EAR99 is a designation for items that are subject to the Regulations, but not listed on the Commerce Control List, which is set forth at Supplement No. 1 to Part 774 of the Regulations. 15 C.F.R § 774.1 (2015).

17. In so doing, Access committed four violations of Section 764.2(a) of the Regulations.

WHEREAS, Access has reviewed the Proposed Charging Letter and is aware of the allegations made against it and the administrative sanctions that could be imposed against it if the allegations are found to be true;

WHEREAS, Access 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, Access enters into this Agreement voluntarily and with full knowledge of its rights, after having consulted with counsel;

WHEREAS, the Parties enter into this Agreement having taken into consideration the Non-Prosecution Agreement (“NPA”) entered between Access and the U.S. Attorney’s Office for the Middle District of Florida;

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

WHEREAS, Access agrees 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 Access, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.

2. Access admits to the allegations contained and violations alleged in the Proposed Charging Letter.

3. The following sanctions shall be imposed against Access in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the Proposed Charging Letter:

a. Access shall be assessed a civil penalty in the amount of \$27,000,000. Access shall pay the U.S. Department of Commerce in two installments of: \$7,000,000 not later than 30 days from the date of the Order; and \$3,000,000 not later than 120 days from the date of the Order. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$17,000,000 shall be suspended for a period of two (2) years from the date of the Order, and thereafter shall be waived, provided that during this two-year payment probationary period under the Order, Access has committed no violation of the Act or any regulation, order, license or authorization issued thereunder, has made full and timely payment of \$10,000,000 as set forth above and has otherwise complied with the provisions of this Agreement, and has committed no violation of the NPA. If either of the two installment payments is not fully and timely made, any remaining scheduled installment payment and any suspended penalty may become due and owing immediately.

b. The full and timely payment of the civil penalty agreed to in Paragraph 3.a, compliance with all other provisions of this Agreement, and compliance with the NPA, 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 Access. Accordingly, the failure to make full and timely payment of the civil penalty in accordance with the payment

schedule set forth in Paragraph 3.a., the failure to comply with any other provision of this Agreement, or the failure to comply with the terms of the NPA, may result in the denial of all of Access's export privileges under the Regulations for a period of one year from, as may be applicable, the date of the failure to make full or timely payment or the date on which it is determined that a violation of another provision of this Agreement or a violation of the NPA has occurred.

4. Until the date upon which all criminal, civil, or administrative investigations, prosecutions, and proceedings arising out of or relating directly or indirectly to the conduct described in the Proposed Charging Letter or the NPA have concluded, whether with respect to Access's activities, the activities of its past, current, or future employees, or the activities of others, Access shall truthfully and completely produce or disclose to BIS, or any other law enforcement agency designated by BIS, non-privileged documents and information in Access's possession, custody, or control concerning all matters about which BIS inquires, and shall provide testimony and other information deemed necessary by BIS or any other law enforcement agency designated by BIS, including to establish the evidentiary foundation necessary to admit into evidence documents in any related proceeding. Access shall also bring to BIS's attention all criminal, civil, or administrative investigations, prosecutions, or proceedings brought by any other law enforcement agency against Access, any of its subsidiaries or affiliates, or any of its directors, officers, employees, or agents relating to violations or potential violations concerning transactions involving Access of the Act, the Regulations, the International Emergency Economic Powers Act, 50 U.S.C. § 1701 *et seq.*, or other U.S. export control laws.

Access further agrees that it will cooperate under this Agreement consistent with its cooperation responsibilities as described by the NPA. While this provision references Access's cooperation responsibilities under the NPA, Access's obligations under this provision are independent of the NPA. Nothing in this Agreement shall be construed to limit BIS's investigative or prosecutorial discretion or the exercise of any of its statutory or regulatory authorities.

5. Access agrees that, in the event it sells, merges or transfers all or substantially all of its business operations as they exist during the term of this Agreement, whether such sale is structured as a stock or asset sale, merger, or transfer, it shall include in any contract for sale, merger or transfer provisions binding any successors or assigns thereto to the obligations described in this Agreement. Access expressly understands that the protections provided under this Agreement shall not apply to any successors or assigns unless and until such successor or assign formally adopts and accepts this Agreement.

6. Subject to the approval of this Agreement pursuant to Paragraph 11 hereof, Access 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) receive 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. Access also waives 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 Letter 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 one year after the later of the date Access pays in full the civil penalty agreed to in Paragraph 3.a of this Agreement or February 3, 2019.

7. Access shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or the Order. The foregoing does not affect Access's testimonial obligations in any proceeding to which BIS or the Department of Commerce is not a party.

8. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 3.a and compliance with all other terms of the Agreement and the terms of the NPA, BIS will not initiate any further administrative proceeding against Access in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter. This provision applies only to Access and does not apply to any other entity or to any individuals, including former or current directors, officers, employees, or agents of Access. Nothing in this Agreement is intended to benefit or benefits, or creates any right, title, or interest in favor of, any other entity or any individual.

9. 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.

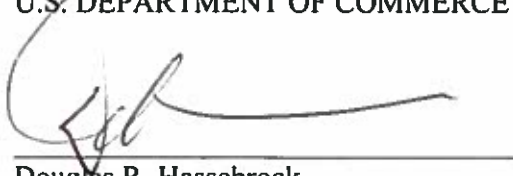
10. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department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

11. 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.

12. If the Order issues, BIS shall make the Proposed Charging Letter, this Agreement, and the Order available to the public.

13. Each signatory affirms that he/she has authority to enter into this Settlement Agreement and to bind his/her 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

ACCESS USA SHIPPING, LLC

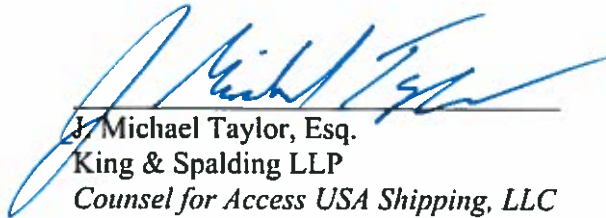


Ramesh Bulusu
President

Date: February 7, 2017

Date: February 02, 2017

Reviewed and approved by:



J. Michael Taylor, Esq.
King & Spalding LLP
Counsel for Access USA Shipping, LLC

Date: February 3, 2017

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Access USA Shipping, LLC
d/b/a MyUS.com
f/k/a Access USA Shipping, Inc.
4299 Express Lane
Sarasota, Florida 34238

Attn: Ramesh Bulusu,
President

Dear Mr. Bulusu:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that as set forth below, Access USA Shipping, LLC, d/b/a MyUS.com and f/k/a Access USA Shipping, Inc., of Sarasota, Florida (“Access”), committed one hundred fifty (150) violations of the Export Administration Regulations (the “EAR” or “Regulations”),¹ which issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS alleges that Access committed the following violations:

Charges 1-129 15 C.F.R. § 764.2(h) – Evasion

1. As further described in additional detail on the attached Schedule of Violations, which is incorporated herein, on one hundred twenty-nine (129) occasions beginning on or about April 21, 2011, and continuing through on or about January 7, 2013, Access engaged in transactions or took other actions to evade the Regulations. Specifically, Access took actions that enabled foreign customers to purchase items subject to the Regulations through Access without U.S. merchants knowing the items were intended for export and that were designed at least in part to avoid detection by the U.S. Government and law enforcement. These actions included mis-describing and undervaluing the items in false export control

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2016). The violations alleged occurred during 2011-2013. The Regulations governing the violations at issue are found in the 2011-2013 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2011-2013)). The 2016 Regulations currently govern the procedural aspects of this case.

² 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (available online at <http://uscode.house.gov>). 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 4, 2016 (81 Fed. Reg. 52,587 (Aug. 8, 2016)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 & Supp. IV 2010).

documents; undervaluing the items improperly to avoid the filing of the required export control documents; allowing foreign customers to place orders through Access employees to avoid export scrutiny; destroying or altering export control documents; and failing to maintain records related to export transactions.

2. At all times pertinent hereto, Access provided foreign customers with a U.S. physical address for items purchased from U.S. merchants for ultimate export from the United States. For a fee, Access provided such customers a “suite,” which is a designated place or space at Access’s warehouse facilities to which customers could have items delivered from U.S. merchants. When Access received items that a foreign customer had ordered from a U.S. merchant, Access employees entered into Access’s order management system information regarding the name of the merchant, shipment tracking number, a detailed description of the item, and the value of the item. Before the shipment was exported from the United States, however, Access employees would revise the original item information, including the item’s value and/or its description, to generate an invoice that would avoid U.S. export control scrutiny. At times, Access’s order system included account notes that directed packaging or price tags to be removed.
3. Access also offered a “personal shopper program” or “alternative program” under which Access or an Access employee was presented to U.S. merchants as the purchaser and/or end-user where foreign customers were seeking products from U.S. merchants that did not accept foreign payment methods or had raised concerns that Access was not an end user and refused to sell or ship to Access because they wished to prevent the export of their goods, such as companies that sell weapons and related parts. Through this evasive program, Access purchased items for export to its foreign customers without informing the U.S. merchants that the items were intended for export. Foreign customers would email an Access employee their shopping list, and the Access employee would purchase the items using credit cards and PayPal accounts in the name of Eric Baird, Access’s founder and then-owner and CEO, or using a credit card account opened in the name of the individual employee, whom Access would subsequently reimburse. At times, shipments were delivered to the homes of Access employees to ensure that the U.S. merchant would be misled to believe that Access was not involved in the transaction.
4. Access routinely undervalued items intended for export using multiple different undervaluing strategies or schemes. Access internally described the value of a commodity as either “retail” or “wholesale” based, in part, on the customer’s preference. If a commodity was “wholesale,” then it could be declared at 50% off its actual or estimated value; whereas “retail” described a commodities’ actual or estimated value. In later iterations of this scheme, Access revised its approach to adjust declared values based on the destination country. For “wholesale” countries, the declared value could be reduced by up to 50%, whereas for “retail”

countries, the declared value could be reduced by up to 25%. Some of these practices were memorialized in Access's Customer Service Training Manual dated October 2012, which also included specific instructions that permitted customer service representatives to reduce declared values on export control documents.

5. Beginning in or about late 2011, Access also modified its order system to enable undervaluing by a set percentage based on the country of destination for the export, if there was no U.S. merchant's invoice or no value listed on the U.S. merchant's invoice. In doing so, Access typically ignored detailed information already in its order system concerning the item and its actual or estimated value as entered by an Access customer representative when Access received the shipment from the U.S. merchant.
6. Access also routinely provided misleading item descriptions, including for items listed under the Regulations on the Commerce Control List ("CCL") and subject to license requirements. For example, night vision lenses were described as "camera lenses"; optical sights as "garage tool kits"; laser sights and weapons parts as "tools and hardware"; rifle scopes as "sporting goods," "tools and hardware," or "tools or handtools"; and other gun or weapon parts as "sporting goods accessories," "fishing tools and spare parts," or "tailoring tools." In one instance, rifle stocks and grips were described as "toy accessories." Access's Customer Service Training Manual provided instructions on how to alter descriptions of items so as to avoid export control scrutiny and detection, including those related to firearms and related parts that were considered prohibited or restricted items.
7. At all relevant times, Access knew of the Regulations and its export control compliance obligations, including with regard to SED and AES filing requirements, and received extensive information from the U.S. Government and other sources concerning standard, effective compliance policies and practices.
8. On several occasions, BIS and other U.S. Government agencies conducted outreach visits to Access, including its then-owner and -CEO Eric Baird. For example, on July 11, 2007, BIS's Office of Export Enforcement ("OEE") conducted an outreach visit to Access, during which a BIS Special Agent met with an Access employee for two hours providing oral and written information on the Regulations and the export control lists to check, including BIS's Entity List, in order to comply with the EAR and other U.S. export control laws and regulations. In addition, the BIS Special Agent met with CEO Eric Baird, explaining that items should be checked for export license requirements and that customers should be screened. Access subsequently received Shield America outreach visits from the Department of Homeland Security, Homeland Security Investigations ("HSI") on March 27, 2009, June 9, 2010, and January 10, 2012, respectively, during which HSI special agents provided similar information. In

addition, a BIS Special Agent provided detailed information on properly valuing items on export control documents during a telephone discussion with CEO Eric Baird on January 18, 2012, and a related follow-up email with him. The OEE Special Agent also emphasized the need to screen customers to ensure compliance with the Regulations.

9. Access understood this information, but either ignored it and its compliance obligations under the Regulations or abandoned initial or limited compliance-related steps. Internal Access documents indicate that by no later than March 2008, Access understood that SED filings (today called AES filings) (hereinafter "SED/AES filings") must be made for each export of items subject to the Regulations when the value of the items under a single Schedule B number or Harmonized Tariff Schedule number is more than \$2,500. Access and then-CEO Eric Baird were also involved in email communications with employees of one private package carrier in March 2008, in which SED/AES filing requirements were discussed in detail, including specifically that SED/AES filings were required for shipments valued at more than \$2,500 for an individual Schedule B number.³ Subsequently, in 2009 and 2010, employees of another private package carrier warned Access's management, that Access needed to change its policies and practices relating to how it described and valued items, including re-stating item descriptions and values. On a number of occasions during 2009-2012, the same private package carrier told Access that it needed to validate export descriptions and use the price on vendor's sales invoices as the declared value for exports.
10. Although Access routinely certified that shipments were in compliance with the Regulations on an Access generated invoice, this certification was routinely false, as Access either failed to make the required SED/AES filing or caused the making of false or misleading SED/AES filings concerning the value of the items and/or the description of the items. In addition, internal Access emails, including correspondence between its then-CEO Eric Baird and its then-Chief Technology Officer ("CTO") indicate that Access and senior company officials were aware of the potential sanctions for false or misleading statements on SED/AES filings. In emails to CEO Eric Baird, in September 2011, the CTO provided information on a BIS enforcement case involving false or misleading reporting of declared value on export documents. In an email dated September 20, 2011, she included information describing BIS's imposition of civil penalties in a case involving repeated undervaluing of exports on SEDs and stated, inter alia: "I will not be a party to [undervaluation]. I know we're doing it now. I know we have the means to avoid doing it. I know we are WILLINGLY AND INTENTIONALLY breaking the law." (Emphasis in original). In the same email chain later that day,

³ A Schedule B number is a ten-digit number used in the United States to classify physical goods for export to another country.

Eric Baird suggested that Access could undervalue by 25% and that if Access was “warned by [the U.S.] government,” then it “can stop ASAP.”

11. Access resumed undervaluing exports and its related violations of the Regulations despite knowing that the conduct was unlawful and risked the imposition of significant penalties. Almost immediately following this September 20, 2011 email exchange, Eric Baird and Access’s CTO discussed on September 21, 2011, how Access’s order system would be modified to either automatically or manually undervalue. The order system would be and was in fact modified to enable undervaluing by a set percentage based on the country of destination for the export if there was no U.S. merchant’s invoice or no value listed on the U.S. merchant’s invoice. In doing so, Access typically ignored detailed information already in its order system concerning the U.S. merchant and/or concerning the item and its actual or estimated value as entered by either the foreign customer or an Access customer representative when Access received the shipment from the merchant. However, when a U.S. merchant’s invoice was included in a package received from a U.S. merchant, Access would remove the invoice at its customer’s request, both before and after the September 2011 modification of the order system.

12. In so doing, Access committed one hundred twenty-nine (129) violations of Section 764.2(h) of the Regulations.

Charges 130-146 15 C.F.R. § 764.2(a) – Engaging in Conduct Prohibited by the Regulations by Exporting or Attempting To Export Crime Control Items without the Required License

13. As further described in additional detail on the attached Schedule of Violations, which is incorporated herein, on seventeen (17) occasions between on or about August 23, 2011, and on or about January 24, 2013, Access engaged in conduct prohibited by the Regulations when it exported or attempted to export items classified under Export Control Classification Number (“ECCN”) 0A987 and controlled for Crime Control reasons without the BIS export licenses required pursuant to Section 742.7 of the Regulations.⁴ The destinations included Argentina, Austria, Hong Kong, Indonesia, Libya, South Africa and Sweden.

14. In so doing, Access committed seventeen (17) violations of Section 764.2(a) of the Regulations.

⁴ Two of the four exports to Transsphere Oy were completed, while the other two shipments were detained by the U.S. Government.

Charges 147-150 15 C.F.R. § 764.2(a) – Engaging in Conduct Prohibited by the Regulations by Exporting or Attempting To Export Items Subject to the Regulations to a Listed Entity without the Required License

15. As further described in additional detail in the attached Schedule of Violations, which is incorporated herein, on four occasions between on or about October 17, 2012, and on or about February 15, 2013, Access engaged in conduct prohibited by the Regulations when it exported or attempted to export items subject to the Regulations from the United States to Transsphere Oy in Finland without the BIS license required pursuant to Section 744.11 and Supplement No. 4 to Part 744 of the Regulations. The items were classified under ECCN 5A991 and controlled for anti-terrorism reasons, or were designated EAR99.⁵ Transsphere Oy is a Finnish entity listed on BIS's Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. It was added to the Entity List on October 9, 2012, 77 Fed. Reg. 61249-61251, 612656-61257 (Oct. 9, 2012), for being a "part of a network of companies involved in the procurement and delivery of items subject to the EAR and the International Traffic in Arms Regulations to Russia in violation of the EAR and ITAR." The listing specifically included and continues to include the alias Transsphere Oy Ltd. (as well as the alias Transsphere Limited Oy), and at all times pertinent hereto, a license was required in order to export any item subject to the Regulations to this entity.
16. Access was aware of the Entity List and the need to screen exports against it to determine whether a license was required, as set forth in Paragraph 8 above and as realleged herein, based upon information provided directly to Access by special agents from BIS's OEE and the Department of Homeland Security. In addition, as early as December 1, 2010, Access's website stated that the company would not ship to "persons and/or entities identified on any U.S. Department of Commerce Denied Persons List, Entity List of [sic] proliferation concern."
17. In so doing, Access committed four violations of Section 764.2(a) of the Regulations.

Accordingly, Access 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:

⁵ EAR99 is a designation for items that are subject to the Regulations, but not listed on the Commerce Control List, which is set forth at Supplement No. 1 to Part 774 of the Regulations. 15 C.F.R. § 774.1 (2015).

- The maximum civil penalty allowed by law of up to the greater of \$289,238 per violation,⁶ or twice the value of the transaction that is the basis of the violation;⁷
- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

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

Access is further notified that it is entitled to an agency hearing on the record if it files written demands for one with its answers. *See* 15 C.F.R. § 766.6. Access 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.

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should Access have a proposal to settle this case, Access should transmit it to the attorney representing BIS named below.

Access is further notified that under the Small Business Regulatory Enforcement Flexibility ACT, it 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, Access'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

⁶ *See* 15 C.F.R. § 6.4(b)(4). This amount is subject to annual increases pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Sec. 701 of Public Law 114-74, enacted on November 2, 2015.

⁷ *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

Access USA Shipping, LLC
Proposed Charging Letter
Page 8 of 12

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

Chief Counsel for Industry and Security
Attention: R. Elizabeth Abraham, Esq.
Zachary Klein, Esq.
Room H-3839
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

R. Elizabeth ("Liz") Abraham and Zachary Klein are the attorneys representing BIS in this case; any communications that Access may wish to have concerning this matter should occur through them. Ms. Abraham and Mr. Klein may be contacted by telephone at (202) 482-5301.

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement

Schedule of Violations

| Charge No. | Export Date | Destination | Violation |
|-------------------|--------------------|--------------------|----------------------|
| 1 | 4/21/2011 | South Africa | 15 C.F.R. § 764.2(h) |
| 2 | 6/21/2011 | South Africa | 15 C.F.R. § 764.2(h) |
| 3 | 7/5/2011 | South Africa | 15 C.F.R. § 764.2(h) |
| 4 | 7/12/2011 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 5 | 8/1/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 6 | 8/1/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 7 | 8/2/2011 | South Africa | 15 C.F.R. § 764.2(h) |
| 8 | 8/2/2011 | Kazakhstan | 15 C.F.R. § 764.2(h) |
| 9 | 8/2/2011 | Malaysia | 15 C.F.R. § 764.2(h) |
| 10 | 8/2/2011 | Kazakhstan | 15 C.F.R. § 764.2(h) |
| 11 | 8/2/2011 | United Kingdom | 15 C.F.R. § 764.2(h) |
| 12 | 8/3/2011 | Switzerland | 15 C.F.R. § 764.2(h) |
| 13 | 8/3/2011 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 14 | 8/3/2011 | Switzerland | 15 C.F.R. § 764.2(h) |
| 15 | 8/4/2011 | Zambia | 15 C.F.R. § 764.2(h) |
| 16 | 8/5/2011 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 17 | 8/5/2011 | Germany | 15 C.F.R. § 764.2(h) |
| 18 | 8/5/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 19 | 8/5/2011 | France | 15 C.F.R. § 764.2(h) |
| 20 | 8/5/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 21 | 8/5/2011 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 22 | 8/5/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 23 | 8/5/2011 | Maldives | 15 C.F.R. § 764.2(h) |
| 24 | 8/5/2011 | Kazakhstan | 15 C.F.R. § 764.2(h) |
| 25 | 8/5/2011 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 26 | 8/5/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 27 | 8/5/2011 | Kazakhstan | 15 C.F.R. § 764.2(h) |
| 28 | 8/9/2011 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 29 | 8/9/2011 | Malaysia | 15 C.F.R. § 764.2(h) |
| 30 | 8/9/2011 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 31 | 8/9/2011 | United Kingdom | 15 C.F.R. § 764.2(h) |
| 32 | 8/9/2011 | Switzerland | 15 C.F.R. § 764.2(h) |
| 33 | 8/9/2011 | Hong Kong | 15 C.F.R. § 764.2(h) |
| 34 | 8/10/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 35 | 8/10/2011 | Italy | 15 C.F.R. § 764.2(h) |
| 36 | 8/10/2011 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 37 | 8/11/2011 | Japan | 15 C.F.R. § 764.2(h) |

| Charge No. | Export Date | Destination | Violation |
|------------|-------------|----------------|----------------------|
| 38 | 8/11/2011 | Indonesia | 15 C.F.R. § 764.2(h) |
| 39 | 8/11/2011 | Malaysia | 15 C.F.R. § 764.2(h) |
| 40 | 8/11/2011 | Kazakhstan | 15 C.F.R. § 764.2(h) |
| 41 | 8/12/2011 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 42 | 8/12/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 43 | 8/12/2011 | Nigeria | 15 C.F.R. § 764.2(h) |
| 44 | 8/12/2011 | United Kingdom | 15 C.F.R. § 764.2(h) |
| 45 | 8/12/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 46 | 8/12/2011 | Switzerland | 15 C.F.R. § 764.2(h) |
| 47 | 8/12/2011 | Kazakhstan | 15 C.F.R. § 764.2(h) |
| 48 | 8/12/2011 | Kazakhstan | 15 C.F.R. § 764.2(h) |
| 49 | 8/15/2011 | United Kingdom | 15 C.F.R. § 764.2(h) |
| 50 | 8/15/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 51 | 8/16/2011 | Hong Kong | 15 C.F.R. § 764.2(h) |
| 52 | 8/16/2011 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 53 | 8/16/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 54 | 8/16/2011 | Turkey | 15 C.F.R. § 764.2(h) |
| 55 | 8/17/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 56 | 8/17/2011 | Switzerland | 15 C.F.R. § 764.2(h) |
| 57 | 8/18/2011 | Georgia | 15 C.F.R. § 764.2(h) |
| 58 | 8/18/2011 | Singapore | 15 C.F.R. § 764.2(h) |
| 59 | 8/18/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 60 | 8/19/2011 | Kuwait | 15 C.F.R. § 764.2(h) |
| 61 | 8/19/2011 | Turks & Caicos | 15 C.F.R. § 764.2(h) |
| 62 | 8/19/2011 | Nigeria | 15 C.F.R. § 764.2(h) |
| 63 | 8/19/2011 | Uzbekistan | 15 C.F.R. § 764.2(h) |
| 64 | 8/19/2011 | Guadeloupe | 15 C.F.R. § 764.2(h) |
| 65 | 8/19/2011 | Kazakhstan | 15 C.F.R. § 764.2(h) |
| 66 | 8/19/2011 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 67 | 8/19/2011 | Kazakhstan | 15 C.F.R. § 764.2(h) |
| 68 | 8/22/2011 | Turkey | 15 C.F.R. § 764.2(h) |
| 69 | 8/23/2011 | Kuwait | 15 C.F.R. § 764.2(h) |
| 70 | 8/23/2011 | Kazakhstan | 15 C.F.R. § 764.2(h) |
| 71 | 8/23/2011 | Malaysia | 15 C.F.R. § 764.2(h) |
| 72 | 8/24/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 73 | 8/24/2011 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 74 | 8/24/2011 | Maldives | 15 C.F.R. § 764.2(h) |
| 75 | 8/25/2011 | UAE | 15 C.F.R. § 764.2(h) |
| 76 | 8/26/2011 | Japan | 15 C.F.R. § 764.2(h) |

| Charge No. | Export Date | Destination | Violation |
|-------------------|--------------------|--------------------|----------------------|
| 77 | 8/26/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 78 | 8/26/2011 | Philippines | 15 C.F.R. § 764.2(h) |
| 79 | 8/26/2011 | Thailand | 15 C.F.R. § 764.2(h) |
| 80 | 8/26/2011 | Kazakhstan | 15 C.F.R. § 764.2(h) |
| 81 | 8/26/2011 | Kazakhstan | 15 C.F.R. § 764.2(h) |
| 82 | 8/29/2011 | Argentina | 15 C.F.R. § 764.2(h) |
| 83 | 8/29/2011 | Yemen | 15 C.F.R. § 764.2(h) |
| 84 | 8/29/2011 | Spain | 15 C.F.R. § 764.2(h) |
| 85 | 8/29/2011 | Taiwan | 15 C.F.R. § 764.2(h) |
| 86 | 8/29/2011 | Malaysia | 15 C.F.R. § 764.2(h) |
| 87 | 8/29/2011 | France | 15 C.F.R. § 764.2(h) |
| 88 | 8/29/2011 | Maldives | 15 C.F.R. § 764.2(h) |
| 89 | 8/29/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 90 | 8/30/2011 | Turkey | 15 C.F.R. § 764.2(h) |
| 91 | 8/30/2011 | Italy | 15 C.F.R. § 764.2(h) |
| 92 | 8/30/2011 | Turkey | 15 C.F.R. § 764.2(h) |
| 93 | 8/30/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 94 | 8/31/2011 | Kazakhstan | 15 C.F.R. § 764.2(h) |
| 95 | 8/31/2011 | Japan | 15 C.F.R. § 764.2(h) |
| 96 | 8/31/2011 | Italy | 15 C.F.R. § 764.2(h) |
| 97 | 8/31/2011 | Switzerland | 15 C.F.R. § 764.2(h) |
| 98 | 10/3/2011 | South Africa | 15 C.F.R. § 764.2(h) |
| 99 | 10/13/2011 | South Africa | 15 C.F.R. § 764.2(h) |
| 100 | 10/17/2011 | South Africa | 15 C.F.R. § 764.2(h) |
| 101 | 10/31/2011 | South Africa | 15 C.F.R. § 764.2(h) |
| 102 | 11/3/2011 | South Africa | 15 C.F.R. § 764.2(h) |
| 103 | 12/1/2011 | South Africa | 15 C.F.R. § 764.2(h) |
| 104 | 12/23/2011 | Indonesia | 15 C.F.R. § 764.2(h) |
| 105 | 1/10/2012 | South Africa | 15 C.F.R. § 764.2(h) |
| 106 | 1/10/2012 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 107 | 1/19/2012 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 108 | 2/14/2012 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 109 | 3/15/2012 | South Africa | 15 C.F.R. § 764.2(h) |
| 110 | 5/2/2012 | Indonesia | 15 C.F.R. § 764.2(h) |
| 111 | 5/22/2012 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 112 | 6/18/2012 | Hong Kong | 15 C.F.R. § 764.2(h) |
| 113 | 6/28/2012 | South Africa | 15 C.F.R. § 764.2(h) |
| 114 | 7/2/2012 | Austria | 15 C.F.R. § 764.2(h) |
| 115 | 7/11/2012 | South Africa | 15 C.F.R. § 764.2(h) |

| Charge No. | Export Date | Destination | Violation |
|-------------------|--------------------|--------------------|----------------------|
| 116 | 7/30/2012 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 117 | 8/3/2012 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 118 | 8/3/2012 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 119 | 8/14/2012 | Hong Kong | 15 C.F.R. § 764.2(h) |
| 120 | 8/17/2012 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 121 | 8/26/2012 | Cyprus | 15 C.F.R. § 764.2(h) |
| 122 | 9/4/2012 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 123 | 10/10/2012 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 124 | 10/16/2012 | Hong Kong | 15 C.F.R. § 764.2(h) |
| 125 | 10/26/2012 | Indonesia | 15 C.F.R. § 764.2(h) |
| 126 | 11/5/2012 | Saudi Arabia | 15 C.F.R. § 764.2(h) |
| 127 | 12/11/2012 | Austria | 15 C.F.R. § 764.2(h) |
| 128 | 12/27/2012 | Libya | 15 C.F.R. § 764.2(h) |
| 129 | 1/7/2013 | Libya | 15 C.F.R. § 764.2(h) |
| 130 | 8/23/2011 | Argentina | 15 C.F.R. § 764.2(a) |
| 131 | 12/13/2011 | Indonesia | 15 C.F.R. § 764.2(a) |
| 132 | 12/30/2011 | Indonesia | 15 C.F.R. § 764.2(a) |
| 133 | 1/5/2012 | Indonesia | 15 C.F.R. § 764.2(a) |
| 134 | 2/10/2012 | South Africa | 15 C.F.R. § 764.2(a) |
| 135 | 3/27/2012 | Sweden | 15 C.F.R. § 764.2(a) |
| 136 | 4/5/2012 | Sweden | 15 C.F.R. § 764.2(a) |
| 137 | 5/18/2012 | Indonesia | 15 C.F.R. § 764.2(a) |
| 138 | 6/1/2012 | Hong Kong | 15 C.F.R. § 764.2(a) |
| 139 | 7/30/2012 | South Africa | 15 C.F.R. § 764.2(a) |
| 140 | 9/4/2012 | Hong Kong | 15 C.F.R. § 764.2(a) |
| 141 | 11/21/2012 | Libya | 15 C.F.R. § 764.2(a) |
| 142 | 12/10/2012 | Hong Kong | 15 C.F.R. § 764.2(a) |
| 143 | 12/27/2012 | Libya | 15 C.F.R. § 764.2(a) |
| 144 | 1/8/2013 | South Africa | 15 C.F.R. § 764.2(a) |
| 145 | 1/24/2013 | Austria | 15 C.F.R. § 764.2(a) |
| 146 | 1/24/2013 | Libya | 15 C.F.R. § 764.2(a) |
| 147 | 10/17/2012 | Finland | 15 C.F.R. § 764.2(a) |
| 148 | 12/20/2012 | Finland | 15 C.F.R. § 764.2(a) |
| 149 | 2/5/2013 | Finland | 15 C.F.R. § 764.2(a) |
| 150 | 2/15/2013 | Finland | 15 C.F.R. § 764.2(a) |