

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

In the Matter of:

Weiming Zhang, a.k.a. John Zhang
1505 Cyber Tower B, No. 2
Zong Guan Cun Street South
Beijing 100086
China

and

18-22 Engle Street
Englewood, NJ 07462

and

98 Carley Avenue
Huntington, NY 11743

Seasia Enterprises (USA), Inc.
98 Carley Avenue
Huntington, NY 11743

Respondents

ORDER RELATING TO
WEIMING ZHANG AND SEASIA ENTERPRISES (USA), INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Weiming Zhang, a.k.a. John Zhang, of Beijing, China, Englewood, New Jersey, and Huntington, New York (“Zhang”), and his company, Seasia Enterprises (USA), Inc., of Huntington, New York (“Seasia”) (collectively, “Zhang/Seasia”), of its intention to initiate an administrative proceeding against Zhang/Seasia pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ and Section 13(c) of the

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2017). The charged violation occurred in 2013-2014. The Regulations governing the violation at issue are found in the 2013-2014 versions of the Code of

Export Administration Act of 1979, as amended (the “Act”),² through the issuance of a Proposed Charging Letter to Zhang/Seasia that alleges that Zhang/Seasia committed one violation of the Regulations. Specifically, the charge is:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy to Export Items Controlled for National Security Reasons from the United States to China without the Required BIS Licenses

1. Beginning no later than in or around April 2013, and continuing through at least in or around April 2014, Zhang/Seasia conspired and acted in concert with others, known and unknown, to bring about or to do an act or acts constituting a violation of the Regulations. The purpose of the conspiracy was to evade the Regulations in connection with the export from the United States to China of electronic equipment that was controlled under the Regulations on national security grounds and required an export license from BIS pursuant to Section 742.4 of the Regulations.
2. In furtherance of the conspiracy, Zhang/Seasia obtained the equipment from U.S. manufacturers, in what Zhang/Seasia made to appear to the U.S. manufacturers as domestic transactions. After Zhang/Seasia received the equipment at Seasia’s address in Huntington, New York, they exported the items while taking various additional actions designed to avoid export control scrutiny and detection by U.S. law enforcement, including, for example, concealing the type of equipment involved, its value, and/or ultimate destination. Zhang/Seasia used packaging that they deliberately re-labeled in order to falsely identify the items inside as, for example, low-value computer motherboards, which would not have required a BIS license to export to China. In addition, on at least one occasion, Zhang/Seasia did not export the equipment directly to China, but instead transshipped it to China via Hong Kong, while falsely stating or causing to be stated on export transaction documents that Hong Kong was the ultimate destination. Zhang/Seasia used Beijing Onsky Technologies, a.k.a. Beijing Lingtian, a Hong Kong company that, like Seasia, Zhang owned and controlled, to facilitate the transshipment of the equipment to China after it arrived in Hong Kong from the United States.

Federal Regulations (15 C.F.R. Parts 730-774). The 2017 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. §§ 4601-4623 (Supp. III 2015). 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 15, 2017 (82 Fed. Reg. 39,005 (Aug. 16, 2017)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq.) (2012).

3. At no point did Zhang/Seasia seek or obtain a license from BIS.
4. In so doing, Zhang and Seasia violated Section 764.2(d) of the Regulations, for which they are jointly and severally liable.

WHEREAS, BIS and Zhang/Seasia have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations, whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein; and

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

IT IS THEREFORE ORDERED:

FIRST, Zhang and Seasia shall be assessed a civil penalty in the amount of \$100,000, for which they are jointly and severally liable. The payment of \$50,000 shall be made to the U.S. Department of Commerce within 30 days of the date of this Order. Payment of the remaining \$50,000 shall be suspended for a period of five years from the date of this Order, and thereafter shall be waived, provided that during this five-year probationary period, Zhang and Seasia have made full and timely payment of \$50,000 as set forth above, have otherwise complied with the provisions of the Settlement Agreement and this Order, and have committed no other violation of the Act or the Regulations or any order, license, or authorization issued thereunder. If Zhang or Seasia fails to comply with any of these probationary conditions, the \$50,000 suspended portion of the civil penalty may be activated and become immediately due and owing in full.

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, Zhang and Seasia 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, full and timely payment of the civil penalty in accordance with the payment schedule set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Zhang/Seasia.

FOURTH, for a period of five (5) years from the date of this Order, Weiming Zhang, a.k.a. John Zhang, with last known addresses of 1505 Cyber Tower B, No. 2, Zong Guan Cun Street South, Beijing 100086, China, and 18-22 Engle Street, Englewood, NJ 07462, and 98 Carley Avenue, Huntington, NY 11743, and Seasia Enterprises (USA), Inc., with a last known address of 98 Carley Avenue, Huntington, NY 11743, and when acting for or on their behalf, their successors, assigns, representatives, agents, or employees (each hereinafter a "Denied Person"), may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, license exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving

any item exported or to be exported from the United States that is subject to the Regulations, or engaging in any other activity subject to the Regulations; or

- C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or from any other activity subject to the Regulations.

FIFTH, that no person may, directly or indirectly, do any of the following:

- A. Export or reexport to or on behalf of a Denied Person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by a Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby a Denied Person acquires or attempts to acquire such ownership, possession or control;
- C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from a Denied Person of any item subject to the Regulations that has been exported from the United States;
- D. Obtain from a Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
- E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by a Denied Person, or service any item,

of whatever origin, that is owned, possessed or controlled by a Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

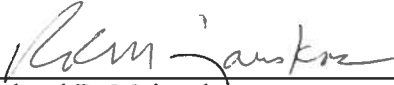
SIXTH, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to a Denied Person by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of this Order.

SEVENTH, as authorized by Section 766.18(c) of the Regulations, the five-year denial period set forth above shall be suspended during a probationary period of five years under this Order, and shall thereafter be waived, provided that Zhang and Seasia have made full and timely payment as set forth above, have complied with the other provisions of the Settlement Agreement and this Order, and have committed no other violation of the Act or the Regulations or any order, license or authorization issued thereunder. If Zhang and Seasia do not make full and timely payment as set forth above, or Zhang or Seasia violates any other provision of the Agreement or this Order, or commits another violation during the five-year probationary period under this Order of the Act or the Regulations or any order, license, or authorization issued thereunder, the suspension may be modified or revoked by BIS and a denial order including a five-year denial period activated against Zhang and Seasia.

EIGHTH, Zhang and Seasia 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.

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

This Order is effective immediately.



Richard R. Majauskas
Acting Assistant Secretary of Commerce
for Export Enforcement

Issued this 24th day of April 2018.

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

In the Matter of:

Weiming Zhang, a.k.a. John Zhang
1505 Cyber Tower B, No. 2
Zong Guan Cun Street South
Beijing 100086
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and

18-22 Engle Street
Englewood, NJ 07462

and

98 Carley Avenue
Huntington, NY 11743

Seasia Enterprises (USA), Inc.
98 Carley Avenue
Huntington, NY 11743

Respondents

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Weiming Zhang, a.k.a. John Zhang, of Beijing, China, Englewood, New Jersey, and Huntington, New York ("Zhang"), and his company, Seasia Enterprises (USA), Inc., of Huntington, New York ("Seasia") (collectively, "Zhang/Seasia"), 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 (2017). The charged violation occurred in 2013-2014. The Regulations governing the

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

WHEREAS, BIS has issued a Proposed Charging Letter to Zhang/Seasia that alleges that Zhang/Seasia committed one violation of the Regulations, specifically:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy to Export Items Controlled for National Security Reasons from the United States to China without the Required BIS Licenses

1. Beginning no later than in or around April 2013, and continuing through at least in or around April 2014, Zhang/Seasia conspired and acted in concert with others, known and unknown, to bring about or to do an act or acts constituting a violation of the Regulations. The purpose of the conspiracy was to evade the Regulations in connection with the export from the United States to China of electronic equipment that was controlled under the Regulations on national security grounds and required an export license from BIS pursuant to Section 742.4 of the Regulations.
2. In furtherance of the conspiracy, Zhang/Seasia obtained the equipment from U.S. manufacturers in what appeared to be domestic transactions. After Zhang/Seasia received the equipment at Seasia's address in Huntington, New York, they exported the items while taking various additional actions designed to avoid export control scrutiny and detection by U.S. law enforcement, including, for example, concealing the type of equipment involved, its value, and/or ultimate destination. Zhang/Seasia used packaging that they deliberately re-labeled in order to falsely identify the items inside as, for example, low-value computer motherboards, which would not have required a BIS license to export to China. In addition, on at least one occasion, Zhang/Seasia did not export the equipment directly to China, but instead transshipped it to China via Hong Kong, while falsely stating or causing to be stated on export transaction documents that Hong Kong was the ultimate destination. Zhang/Seasia used Beijing Onsky Technologies, a.k.a. Beijing Lingtian, a Hong Kong company that, like Seasia,

violation at issue are found in the 2013-2014 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2017 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. §§ 4601-4623 (Supp. III 2015). 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 15, 2017 (82 Fed. Reg. 39,005 (Aug. 16, 2017)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2012).

Zhang owned and controlled, to facilitate the transshipment of the equipment to China after it arrived in Hong Kong from the United States.

3. At no point did Zhang/Seasia seek or obtain a license from BIS.
4. In so doing, Zhang and Seasia violated Section 764.2(d) of the Regulations, for which they are jointly and severally liable.

WHEREAS, Zhang and Seasia have reviewed the Proposed Charging Letter 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, Zhang and Seasia 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 this matter;

WHEREAS, Zhang and Seasia enter into this Agreement voluntarily and with full knowledge of their rights, after having consulted with counsel;

WHEREAS, Zhang and Seasia state that no promises or representations have been made to them other than the agreements and considerations herein expressed; and

WHEREAS, Zhang and Seasia 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 Zhang and Seasia, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. Zhang and Seasia admit each allegation contained in and the violation alleged in the Proposed Charging Letter.

3. The following sanctions shall be imposed against Zhang and Seasia in complete settlement of the alleged violation of the Regulations relating to the transaction specifically detailed in the Proposed Charging Letter:

a. Zhang and Seasia shall be assessed a civil penalty in the amount of \$100,000, for which they are jointly and severally liable. The payment of \$50,000 shall be made to the U.S. Department of Commerce within 30 days of the date of the Order. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$50,000 shall be suspended for a period of five years from the date of the Order, and thereafter shall be waived, provided that during this five-year probationary period under the Order, Zhang and Seasia have made full and timely payment of \$50,000 as set forth above, have otherwise complied with the provisions of this Agreement and the Order, and have committed no other violation of the Act or the Regulations or any order, license, or authorization issued thereunder. If Zhang or Seasia fails to comply with any of these probationary conditions, the \$50,000 suspended portion of the civil penalty may be activated and become immediately due and owing in full.

b. The full and timely payment of the civil penalty agreed to in Paragraph 3.a, above, and full and timely compliance with the other probationary conditions set forth in Paragraph 3.a, 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 Zhang or Seasia.

c. For a period of five (5) years from the date of the Order, Weiming Zhang, a.k.a. John Zhang, with last known addresses of 1505 Cyber Tower B, No.

2, Zong Guan Cun Street South, Beijing 100086, China, and 18-22 Engle Street, Englewood, NJ 07462, and 98 Carley Avenue, Huntington, NY 11743, and Seasia Enterprises (USA), Inc., with a last known address of 98 Carley Avenue, Huntington, NY 11743, and when acting for or on their behalf, their successors, assigns, representatives, agents, or employees (each hereinafter a "Denied Person"), may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- i. Applying for, obtaining, or using any license, license exception, or export control document;
- ii. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or engaging in any other activity subject to the Regulations; or
- iii. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or from any other activity subject to the Regulations.

d. BIS agrees that, as authorized by Section 766.18(c) of the Regulations, the five-year denial period set forth in Paragraph 3.c shall be suspended during a probationary period of five years under the Order, and shall thereafter be waived, provided that Zhang and Seasia have made full and timely payment in accordance with Paragraph 3.a, above, have complied with the other provisions of this Agreement and the Order, and have committed no other violation of the Act or the Regulations or any order, license, or authorization issued thereunder. If Zhang or Seasia fails to comply with any of these probationary conditions during the five-year probationary period under the Order, the suspension may be modified or revoked by BIS and a denial order including a five-year denial period activated against Zhang and Seasia.

4. Subject to the approval of this Agreement pursuant to Paragraph 9 hereof, Zhang and Seasia 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) 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. Zhang and Seasia 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 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 Zhang and Seasia have made full and

timely payment as set forth in Paragraph 3.a, above, and have fully and timely complied with the other probationary conditions set forth in Paragraph 3.a.

5. Zhang and Seasia 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.

6. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 3.a, above, and full and timely compliance with the other probationary conditions set forth in Paragraph 3.a, BIS will not initiate any further administrative proceeding against Zhang and Seasia in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

7. 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.

8. 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.

9. 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.

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

11. 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.

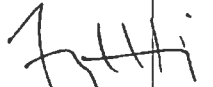
BUREAU OF INDUSTRY AND
SECURITY, U.S. DEPARTMENT OF
COMMERCE



Douglas R. Hassebrock
Director of Export Enforcement

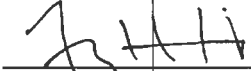
Date: April 24, 2018

WEIMING ZHANG



WEIMING ZHANG

Date: April 12, 2018



SEASIA ENTERPRISES (USA), INC.
Weiming Zhang, Owner

Date: April 12, 2018

Reviewed and approved by:



William Yang, Esq.
Wong, Weng and Associates
Counsel for Weiming Zhang and
Seasia Enterprises (USA), Inc.

Date: April 12, 2018

PROPOSED CHARGING LETTER

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Weiming Zhang, a.k.a. John Zhang
1505 Cyber Tower B, No. 2
Zong Guan Cun Street South
Beijing 100086
China

and

18-22 Engle Street
Englewood, NJ 07462

and

98 Carley Avenue
Huntington, NY 11743

Seasia Enterprises (USA), Inc.
98 Carley Avenue
Huntington, NY 11743

*Attention: Weiming Zhang
Owner*

Dear Mr. Zhang,

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that you, Weiming Zhang, a.k.a. John Zhang, of Beijing, China, Englewood, New Jersey, and Huntington, New York (“Zhang”), and your company, Seasia Enterprises (USA), Inc., of Huntington, New York (“Seasia”) (collectively, “Zhang/Seasia”), violated 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 alleges that Zhang and Seasia committed the following violation:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2017). The violation alleged occurred in 2013 through 2014. The Regulations governing the violation at issue are found in the 2013 and 2014 versions of the Code of Federal Regulations, 15 C.F.R. Parts 730-774 (2013-2014). The 2017 Regulations govern the procedural aspects of this case.

² 50 U.S.C. §§ 4601-4623 (Supp. III 2015). 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

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy to Export Items Controlled for National Security Reasons from the United States to China without the Required BIS Licenses

1. Beginning no later than in or around April 2013, and continuing through at least in or around April 2014, Zhang/Seasia conspired and acted in concert with others, known and unknown, to bring about or to do an act or acts constituting a violation of the Regulations. The purpose of the conspiracy was to evade the Regulations in connection with the export from the United States to China of electronic equipment that was controlled under the Regulations on national security grounds and required an export license from BIS pursuant to Section 742.4 of the Regulations.
2. In furtherance of the conspiracy, Zhang/Seasia obtained the equipment from U.S. manufacturers in what appeared to be domestic transactions. After Zhang/Seasia received the equipment at Seasia's address in Huntington, New York, they exported the items while taking various additional actions designed to avoid export control scrutiny and detection by U.S. law enforcement, including, for example, concealing the type of equipment involved, its value, and/or ultimate destination. Zhang/Seasia used packaging that they deliberately re-labeled in order to falsely identify the items inside as, for example, low-value computer motherboards, which would not have required a BIS license to export to China. In addition, on at least one occasion, Zhang/Seasia did not export the equipment directly to China, but instead transshipped it to China via Hong Kong, while falsely stating or causing to be stated on export transaction documents that Hong Kong was the ultimate destination. Zhang/Seasia used Beijing Onsky Technologies, a.k.a. Beijing Lingtian, a Hong Kong company that, like Seasia, Zhang owned and controlled, to facilitate the transshipment of the equipment to China after it arrived in Hong Kong from the United States.
3. At no point did Zhang/Seasia seek or obtain a license from BIS.
4. In so doing, Zhang and Seasia violated Section 764.2(d) of the Regulations, for which they are jointly and severally liable.

* * * * *

of August 16, 2017 (82 Fed. Reg. 39,005 (Aug. 15, 2017)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2012).

Accordingly, Zhang and Seasia are hereby notified that an administrative proceeding is instituted against them 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, but not limited to any or all of the following:

- The maximum civil penalty allowed by law of up to the greater of \$295,141 per violation,³ or twice the value of the transaction that is the basis of the violation;⁴
- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

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

Zhang and Seasia are further notified that they are entitled to an agency hearing on the record if they file a written demand for one with their answer. *See* 15 C.F.R. § 766.6. Zhang and Seasia are also entitled to be represented by counsel or other authorized representative who has power of attorney to represent them. *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 Zhang and Seasia have a proposal to settle this case, Zhang and Seasia should transmit it to the attorney representing BIS named below.

Zhang and Seasia are further notified that under the Small Business Regulatory Enforcement Flexibility Act, Zhang and Seasia may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter.

³ *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. *See* 81 Fed. Reg. 95432, 95434 (Dec. 28, 2016) (Adjusting for inflation the maximum civil monetary penalty under IEEPA from \$284,582 to \$289,238, effective January 15, 2017).

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

Weiming Zhang
Seasia Enterprises (USA), Inc.
Proposed Charging Letter
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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, Zhang and Seasia'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 Zhang and Seasia's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security
Attention: Adrienne Frazier
Room H-3839
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

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

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement