

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

In the Matter of:

Asim Fareed
22601 Vistawood Way #E21
Boca Raton, Florida 33428

Respondent

ORDER RELATING TO
ASIM FAREED

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Asim Fareed (“Fareed”), formerly of Brunswick, New Jersey, and presently of Boca Raton, Florida, of its intention to initiate an administrative proceeding against Fareed pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ through the issuance of a Proposed Charging Letter to Fareed that

¹ The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“the EAA”), which lapsed on August 21, 2001. 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 8, 2018 (83 Fed. Reg. 39,871 (Aug. 13, 2018)), continued the Regulations in full force and effect under the International Emergency Economic Powers Act, 50 U.S.C. § 1701, et seq. (2012) (“IEEPA”). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, Pub. L. 115-232, tit. 17, subtitle B, 132 Stat. 2208 (2018) (“ECRA”). While Section 1766 of ECRA repeals the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

alleges that Fareed committed one violation of the Regulations.² Specifically, the charge is:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

1. From in or about July 2014 through in or about August 2014, Fareed conspired and acted in concert with others, known and unknown, to bring about or do an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to export a Humboldt Bending Beam Rheometer and a Humboldt Pressure Aging Vessel (“Humboldt items”), items subject to the Regulations, designated EAR99,³ and valued at nearly \$50,000, from the United States to Iran, via the United Arab Emirates (“UAE”), without the required U.S. Government authorization.
2. Fareed’s action violated the long-standing and widely-known U.S. embargo against Iran. Under Section 746.7 of the Regulations, BIS prohibits the export or reexport to Iran of any item subject to both the Regulations and the Iranian Transactions and Sanctions Regulations (“ITSR”), if the transaction is prohibited by the ITSR and has not been authorized by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), which administers the ITSR.⁴ At all times pertinent hereto, the ITSR prohibited, *inter alia*, the unauthorized exportation, reexportation, sale or supply, directly or indirectly, from the United States to Iran of any goods, technology, or services. This broad prohibition included restrictions on the exportation, reexportation, sale or supply of any goods, technology, or services from the United States to a third country, such as the UAE, undertaken with knowledge or reason to know that they were intended for supply, transshipment, or reexportation, directly or indirectly, to Iran. See 31 C.F.R. § 560.204 (2014). No authorization was sought or obtained for this transaction.
3. On or about December 11, 2013, an Iranian party sent an email to a U.S. supplier requesting a quote to purchase from the United States certain items, including the

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2018) (available at <https://www.govinfo.gov/app/collection/CFR>). The violation alleged occurred in 2014. The Regulations governing the violation at issue are found in the 2014 version of the Code of Federal Regulations, 15 C.F.R. Parts 730-774 (2014). The 2018 Regulations govern the procedural aspects of this case.

³ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2014).

⁴ 31 C.F.R. Part 560 (2014). The ITSR formerly were known as the Iranian Transactions Regulations (“ITR”). On October 22, 2012, OFAC renamed the ITR as the ITSR and reissued them in relevant part. See 77 Fed. Reg. 64,664 (Oct. 22, 2012).

Humboldt items. On or about January 12, 2014, the Iranian party confirmed that she had received confirmation from her Iranian customer for an order of the Humboldt items. On or about February 12, 2014, the Iranian party then caused a wire transfer for \$25,669 to be sent from a bank in the UAE to the United States as partial payment for the Humboldt items.

4. After experiencing difficulties with shipping the Humboldt items, on or about July 10, 2014, the Iranian party indicated that it had selected a new U.S. freight forwarder named Compass Logistics International to pick up the cargo on its behalf. At all relevant times, Fareed served as the vice president and part owner of Compass Logistics International's offices located in Somerset, New Jersey.
5. After Compass Logistics International had been selected by the Iranian party to move the shipment, Fareed, in furtherance of the conspiracy, conducted a meeting at the Compass Logistics International offices located in Somerset, New Jersey, to discuss the export of the Humboldt items from the United States to Iran. During the meeting on or about August 1, 2014, Fareed stated that documents would need to be created naming a false and fraudulent end user, which would accompany the shipment and be filed with the U.S. Government. Fareed described that an export to Iran would be a "piece of cake" if done through Dubai because the U.S. exporter would not need to "go through the paperwork" required of shipping directly to Iran, such as OFAC licensing. Fareed also advised that the shipment would originate in Pennsylvania and that his company would pick the items up from that location.
6. Additionally, on or about August 1, 2014, Fareed also caused a "Shipper's Letter of Instruction" to be created, indicating the shipment was originating in Pennsylvania and falsely naming an ultimate consignee in the UAE, even though he knew the shipment was ultimately destined for Iran.
7. At all relevant times, Fareed was aware that the shipment would be transshipped from Dubai to Iran. Fareed knew or had reason to know that the shipment required a license because, as a freight forwarder, he had handled other exports to Iran for which the exporter obtained a license from OFAC under the ITSR or had documented eligibility for a general license.
8. In so doing, Fareed committed one violation of Section 764.2(d) of the Regulations.

WHEREAS, BIS and Fareed 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, Fareed shall provide two annual reports of all export and reexport transactions involving items subject to the Regulations in which he participates in any way, whether doing business under or using his own name or under or using any other name. Each annual report shall be submitted to the Department of Commerce, Bureau of Industry and Security, Office of Export Enforcement, 1200 South Avenue, Suite 104, Staten Island, New York 10314 (“BIS New York Field Office”). The first annual report shall cover the period from January 1, 2019, through December 31, 2019, and the related report shall be due to the BIS New York Field Office no later than March 31, 2020. The second annual report shall cover the period January 1, 2020, through December 31, 2020, and the related report shall be due to the BIS New York Field Office no later than March 31, 2021. Each report shall include, at a minimum, the following information for each item involved in each such export or reexport transaction during the applicable 12-month period: item description, classification under the Regulations for export control classification purposes, including any applicable Export Control Classification Number; ultimate destination and ultimate consignee; any intermediate destination and intermediate consignee; end use; U.S. dollar value; and the identity of any freight forwarder, consolidator, or broker involved in the transaction. Upon request, Fareed must promptly provide copies of the pertinent air waybills and other export control documents and supporting documentation to the BIS New York Field Office.

SECOND, that for a period of three (3) years from the date of this Order, Asim Fareed, with a last known address of 22601 Vistawood Way #E21, Boca Raton, Florida 33428, and when acting for or on his behalf, his successors, assigns, representatives,

agents, or employees (hereinafter collectively referred to as “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.

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

- A. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by the 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 the 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 the Denied Person of any item subject to the Regulations that has been exported from the United States;
 - D. Obtain from the 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 the Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by the 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.

FOURTH, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to the 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 the Order.

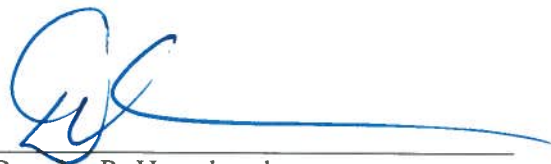
FIFTH, that, as authorized by Section 766.18(c) of the Regulations, the three-year denial period set forth above shall be suspended during a probationary period of three years under the Order, and shall thereafter be waived, provided that Fareed has completed

and submitted each annual report as set forth above, and has committed no other violation of the Export Control Reform Act of 2018 (“ECRA”)⁵ or the Regulations or any order, license, or authorization issued under ECRA or the Regulations. If Fareed does not timely complete and submit either of the annual reports as set forth above, or during the three-year probationary period under this Order commits another violation of the ECRA 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 three-year denial period, activated against Fareed.

SIXTH, Fareed 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.

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

This Order, which constitutes the final agency action in this matter, is effective immediately.



Douglas R. Hassebrock
Director, Office of Export Enforcement,
performing the non-exclusive functions and
duties of the Assistant Secretary of
Commerce for Export Enforcement

Issued this 19th day of December, 2018.

⁵ See note 1, *supra*.

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

In the Matter of:

Asim Fareed
22601 Vistawood Way #E21
Boca Raton, Florida 33428

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Asim Fareed (“Fareed”), formerly of Brunswick, New Jersey, and presently of Boca Raton, Florida, 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

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

¹ The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (the “EAA”), which lapsed on August 21, 2001. 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 8, 2018 (83 Fed. Reg. 39,871 (Aug. 13, 2018)), continued the Regulations in full force and effect under the International Emergency Economic Powers Act, 50 U.S.C. § 1701, et seq. (2012) (“IEEPA”). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, Pub. L. 115-232, tit. 17, subtitle B, 132 Stat. 2208 (2018) (“ECRA”). While Section 1766 of ECRA repeals the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

WHEREAS, BIS has issued a Proposed Charging Letter to Fareed that alleges that Fareed committed one violation of the Regulations,² specifically:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

1. From in or about July 2014 through in or about August 2014, Fareed conspired and acted in concert with others, known and unknown, to bring about or do an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to export a Humboldt Bending Beam Rheometer and a Humboldt Pressure Aging Vessel (“Humboldt items”), items subject to the Regulations, designated EAR99,³ and valued at nearly \$50,000, from the United States to Iran, via the United Arab Emirates (“UAE”), without the required U.S. Government authorization.
2. Fareed’s action violated the long-standing and widely-known U.S. embargo against Iran. Under Section 746.7 of the Regulations, BIS prohibits the export or reexport to Iran of any item subject to both the Regulations and the Iranian Transactions and Sanctions Regulations (“ITSR”), if the transaction is prohibited by the ITSR and has not been authorized by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), which administers the ITSR.⁴ At all times pertinent hereto, the ITSR prohibited, *inter alia*, the unauthorized exportation, reexportation, sale or supply, directly or indirectly, from the United States to Iran of any goods, technology, or services. This broad prohibition included restrictions on the exportation, reexportation, sale or supply of any goods, technology, or services from the United States to a third country, such as the UAE, undertaken with knowledge or reason to know that they were intended for supply, transshipment, or reexportation, directly or indirectly, to Iran. See 31 C.F.R. § 560.204 (2014). No authorization was sought or obtained for this transaction.
3. On or about December 11, 2013, an Iranian party sent an email to a U.S. supplier requesting a quote to purchase from the United States certain items, including the Humboldt items. On or about January 12, 2014, the Iranian party confirmed that

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³ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2014).

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she had received confirmation from her Iranian customer for an order of the Humboldt items. On or about February 12, 2014, the Iranian party then caused a wire transfer for \$25,669 to be sent from a bank in the UAE to the United States as partial payment for the Humboldt items.

4. After experiencing difficulties with shipping the Humboldt items, on or about July 10, 2014, the Iranian party indicated that it had selected a new U.S. freight forwarder named Compass Logistics International to pick up the cargo on its behalf. At all relevant times, Fareed served as the vice president and part owner of Compass Logistics International's offices located in Somerset, New Jersey.
5. After Compass Logistics International had been selected by the Iranian party to move the shipment, Fareed, in furtherance of the conspiracy, conducted a meeting at the Compass Logistics International offices located in Somerset, New Jersey, to discuss the export of the Humboldt items from the United States to Iran. During the meeting on or about August 1, 2014, Fareed stated that documents would need to be created naming a false and fraudulent end user, which would accompany the shipment and be filed with the U.S. Government. Fareed described that an export to Iran would be a "piece of cake" if done through Dubai because the U.S. exporter would not need to "go through the paperwork" required of shipping directly to Iran, such as OFAC licensing. Fareed also advised that the shipment would originate in Pennsylvania and that his company would pick the items up from that location.
6. Additionally, on or about August 1, 2014, Fareed also caused a "Shipper's Letter of Instruction" to be created, indicating the shipment was originating in Pennsylvania and falsely naming an ultimate consignee in the UAE, even though he knew the shipment was ultimately destined for Iran.
7. At all relevant times, Fareed was aware that the shipment would be transshipped from Dubai to Iran. Fareed knew or had reason to know that the shipment required a license because, as a freight forwarder, he had handled other exports to Iran for which the exporter obtained a license from OFAC under the ITSR or had documented eligibility for a general license.
8. In so doing, Fareed committed one violation of Section 764.2(d) of the Regulations.

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

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

WHEREAS, the Parties enter into this Agreement having taken into consideration a guilty plea entered by Fareed in the U.S. District Court for the Middle District of Pennsylvania;

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

WHEREAS, Fareed 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 Fareed, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. Fareed admits each of the allegations contained and the violation alleged in the Proposed Charging Letter.
3. The following sanctions shall be imposed against Fareed:
 - a. Fareed shall provide two annual reports of all export and reexport transactions involving items subject to the Regulations in which he participates in any way, whether doing business under or using his own name or under or using any other name. Each annual report shall be submitted to the Department of Commerce, Bureau of Industry and Security, Office of Export Enforcement, 1200

South Avenue, Suite 104, Staten Island, New York 10314 (“BIS New York Field Office”). The first annual report shall cover the period from January 1, 2019, through December 31, 2019, and the related report shall be due to the BIS New York Field Office no later than March 31, 2020. The second annual report shall cover the period January 1, 2020, through December 31, 2020, and the related report shall be due to the BIS New York Field Office no later than March 31, 2021. Each report shall include, at a minimum, the following information for each item involved in each such export or reexport transaction during the applicable 12-month period: item description, classification under the Regulations for export control classification purposes, including any applicable Export Control Classification Number; ultimate destination and ultimate consignee; any intermediate destination and intermediate consignee; end use; U.S. dollar value; and the identity of any freight forwarder, consolidator, or broker involved in the transaction. Upon request, Fareed must promptly provide copies of the pertinent air waybills and other export control documents and supporting documentation to the BIS New York Field Office.

b. For a period of three (3) years from the date of the Order, Asim Fareed, with a last known address of 22601 Vistawood Way #E21, Boca Raton, Florida 33428, and when acting for or on his behalf, his successors, assigns, representatives, agents, or employees (hereinafter collectively referred to as “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.

c. BIS agrees that, as authorized by Section 766.18(c) of the Regulations, the three-year denial period set forth in Paragraph 3.a shall be suspended during a probationary period of three years under the Order, and shall thereafter be waived, provided that Fareed has timely completed and submitted each of the annual reports agreed to under Paragraph 3.a, and has committed no other violation of the Export Control Reform Act of 2018 (“ECRA”)⁵ or the Regulations or any order, license, or authorization issued under ECRA or the Regulations. If Fareed does not timely complete and submit either of the annual reports agreed to under Paragraph 3.a, or during the three-year probationary period

⁵ See note 1, *supra*.

under the Order commits another violation of ECRA or the Regulations or any order, license, or authorization issued under ECRA or the Regulations, the suspension may be modified or revoked by BIS and a denial order, including a three-year denial period, activated against Fareed.

4. Subject to the approval of this Agreement pursuant to Paragraph 9 hereof, Fareed hereby waives all rights to further procedural steps in this matter (except the procedural steps set forth in Sections 766.17(c) and 766.18(c) of the Regulations with respect to the possible activation of suspended sanctions due to a violation or 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.

Fareed 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 ECRA or the Regulations arising out of the transaction identified in the Proposed Charging Letter, if issued, from the date of the Order until the date Fareed has completed and timely submitted all of the annual reports required under Paragraph 3.a, above.

5. Fareed 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 completion and submission of all reports as set forth in Paragraph 3.a, above, BIS will not initiate any further administrative proceeding

against Fareed in connection with any violation of the Regulations arising out of the transaction 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/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



John D. Sonderman
Deputy Director of Export Enforcement

Date: December 19, 2018

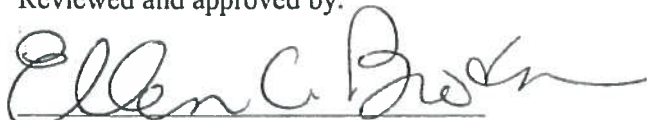
ASIM FAREED



Asim Fareed

Date: December 18, 2018

Reviewed and approved by:



Ellen C. Brotman, Esq.
Brotman Law
Counsel for Asim Fareed

Date: December 18, 2018

PROPOSED CHARGING LETTER

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Asim Fareed
22601 Vistawood Way #E21
Boca Raton, Florida 33428

Dear Mr. Fareed:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Asim Fareed (“Fareed”), formerly of Brunswick, New Jersey, and presently of Boca Raton, Florida, has committed one violation of the Export Administration Regulations (the “Regulations”).¹ Specifically, BIS alleges that Fareed committed the following violation:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

1. From in or about July 2014 through in or about August 2014, Fareed conspired and acted in concert with others, known and unknown, to bring about or do an act that constitutes a violation of the Regulations. The purpose of the conspiracy was

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at the Compass Logistics International offices located in Somerset, New Jersey, to discuss the export of the Humboldt items from the United States to Iran. During the meeting on or about August 1, 2014, Fareed stated that documents would need to be created naming a false and fraudulent end user, which would accompany the shipment and be filed with the U.S. Government. Fareed described that an export to Iran would be a “piece of cake” if done through Dubai because the U.S. exporter would not need to “go through the paperwork” required of shipping directly to Iran, such as OFAC licensing. Fareed also advised that the shipment would originate in Pennsylvania and that his company would pick the items up from that location.

6. Additionally, on or about August 1, 2014, Fareed also caused a “Shipper’s Letter of Instruction” to be created, indicating the shipment was originating in Pennsylvania and falsely naming an ultimate consignee in the UAE, even though he knew the shipment was ultimately destined for Iran.
7. At all relevant times, Fareed was aware that the shipment would be transshipped from Dubai to Iran. Fareed knew or had reason to know that the shipment required a license because, as a freight forwarder, he had handled other exports to Iran for which the exporter obtained a license from OFAC under the ITSR or had documented eligibility for a general license.
8. In so doing, Fareed committed one violation of Section 764.2(d) of the Regulations.

* * * * *

Accordingly, Fareed is hereby notified that an administrative proceeding is instituted against him pursuant to Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions,⁴ including, but not limited to any or all of the following:

- The maximum civil penalty allowed by law of up to the greater, currently, of \$295,141 per violation,⁵ or twice the value of the transaction that is the basis of the violation;⁶

⁴ The alleged violations occurred prior to August 13, 2018, the date of enactment of the ECRA. Consequently, the potential sanctions are provided for in the International Emergency Economic Powers Act. In situations involving alleged violations that occurred on or after August 13, 2018, the potential sanctions are specified in Section 1760(c) of the ECRA.

⁵ See 15 C.F.R. §§ 6.3(b)(4), 6.4. 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 83 Fed. Reg. 706, 707 (adjusting for inflation the maximum civil monetary penalty under IEEPA from \$289,238 to \$295,141 effective January 15, 2018).

Asim Fareed
Proposed Charging Letter
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14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

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

Sincerely,

John D. Sonderman
Deputy Director of Export Enforcement