

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

In the Matter of:

Dina Zhu  
101 Windsor Chase Drive  
Lawrenceville, GA 30043

ORDER RELATING TO  
DINA ZHU

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Dina Zhu, of Lawrenceville, GA (“Zhu”), of its intention to initiate an administrative proceeding against Zhu pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),<sup>1</sup> through the issuance of a Proposed Charging Letter to Zhu that alleges that Zhu committed one violation of the Regulations.<sup>2</sup> Specifically:

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<sup>1</sup> 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, 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, 50 U.S.C. §§ 4801-4852 (“ECRA”). While Section 1766 of ECRA repeals the provisions of 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to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

<sup>2</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2022). The charged violations occurred in 2018. The Regulations governing the violations at issue are found in the 2018 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2022 Regulations set forth the procedures that apply to this matter.

**Charge 1 15 C.F.R. § 764.2(c) – Attempted Unlicensed Export to China**

On or about November 30, 2018, Zhu engaged in conduct prohibited by the Regulations by attempting to export optical sighting devices, items subject to the Regulations, and valued at approximately \$25,000, from the United States to the Peoples Republic of China (“China”), via Hong Kong, without the required Department of Commerce export license. At the time of the attempted export, the items were classified under export control classification (“ECCN”) 0A987 and controlled on Crime Control grounds.<sup>3</sup> Pursuant to Section 742.7 of the Regulations, a Department of Commerce export license was required before the items could be exported to Hong Kong or China. OEE was able to interdict this transaction by issuing the courier a re-delivery order to return or unload the shipment pursuant to Section 758.8 of the Regulations.

During a subsequent December 2018 interview with OEE Special Agents, Zhu admitted to responding to an online ad seeking help in exporting commodities to China. Zhu explained that optical sighting devices would be delivered to her house from U.S. vendors and then she would consolidate the packages and take them to an international courier for export to Hong Kong. According to Zhu, she shipped the packages to Hong Kong and was aware the items would then be forwarded to mainland China.

Zhu was also aware of U.S. government export licensing requirements for optical sighting devices, *inter alia*, having been notified by U.S. Customs and Border Protection (“CBP”) on or about May 19, 2017, that a shipment of optical sighting devices exported by Zhu was seized by CBP for not having the requisite U.S. Government authorization.<sup>4</sup>

In so doing, Zhu committed one violation of 15 C.F.R. § 764.2(c).

WHEREAS, BIS and Zhu 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;

WHEREAS, Zhu admits committing the alleged conduct described in the Proposed Charging Letter; and

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

IT IS THEREFORE ORDERED:

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<sup>3</sup> Currently, the items are classified under ECCN 0A504. However, the items are still controlled on Crime Control grounds and would still require an export license to both Hong Kong and China.

<sup>4</sup> At that time, the seized items were determined to be controlled on the U.S. Munitions List under Category XII(c)(2)(i). U.S. State Department authorization pursuant to the International Trafficking in Arms Regulation, 22 C.F.R. Parts 120-130, was required to export the seized items.

FIRST, for a period of one (1) year from the date of the Order, Zhu, with a last known address of 101 Windsor Chase Drive, Lawrenceville, GA 30043, and when acting for or on her behalf, her successors, assigns, representatives, agents, or employees (hereinafter collectively referred to as the "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.

SECOND, 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.

THIRD, any licenses issued under the Regulations in which Zhu has an interest as of the date of this Order shall be revoked by BIS.

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

FIFTH, as authorized by Section 766.18(c) of the Regulations, the denial period shall be imposed and extended for a second year, but for that second year shall be suspended for a probationary period and shall thereafter be waived, provided that Zhu has not committed another violation of ECRA, the Regulations, or any order, license or authorization issued under ECRA or the Regulations. If Zhu commits another violation of ECRA, the Regulations, or any order, license or authorization issued under ECRA or the Regulations during the two-year period from the date of the Order the suspended portion of the Order may be modified or revoked by BIS pursuant to Section 766.17(c) of the Regulations. If the suspension of the denial is modified or revoked, BIS may extend the active denial period until up to two-years from the date of the Order.

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

SEVENTH, a copy of this Order shall be provided to Zhu, and shall be published in the *Federal Register*.

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

  
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Matthew S. Axelrod  
Assistant Secretary of Commerce  
for Export Enforcement

Issued this 20<sup>th</sup> day of October, 2023.

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

In the Matter of:

Dina Zhu  
101 Windsor Chase Drive  
Lawrenceville, GA 30043

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Dina Zhu, of Lawrenceville, GA (“Zhu”), 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”).<sup>1</sup>

WHEREAS, BIS has notified Zhu of its intentions to initiate an administrative proceeding against Zhu pursuant to the Regulations;<sup>2</sup>

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<sup>1</sup> 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, 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, Title XVII, Subtitle B of Pub. L. 115-232, 132 Stat. 2208 (“ECRA”). While Section 1766 of ECRA repeals the provisions of 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 until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

<sup>2</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2022). The charged violations occurred in 2018. The Regulations governing the violations at issue are found in the 2018 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2022 Regulations set forth the procedures that apply to this matter.

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

**Charge 1 15 C.F.R. § 764.2(c) – Attempted Unlicensed Export to China**

On or about November 30, 2018, Zhu engaged in conduct prohibited by the Regulations by attempting to export optical sighting devices, items subject to the Regulations, and valued at approximately \$25,000, from the United States to the Peoples Republic of China (“China”), via Hong Kong, without the required Department of Commerce export license. At the time of the attempted export, the items were classified under export control classification (“ECCN”) 0A987 and controlled on Crime Control grounds.<sup>3</sup> Pursuant to Section 742.7 of the Regulations, a Department of Commerce export license was required before the items could be exported to Hong Kong or China. OEE was able to interdict this transaction by issuing the courier a re-delivery order to return or unload the shipment pursuant to Section 758.8 of the Regulations.

During a subsequent December 2018 interview with OEE Special Agents, Zhu admitted to responding to an online ad seeking help in exporting commodities to China. Zhu explained that optical sighting devices would be delivered to her house from U.S. vendors and then she would consolidate the packages and take them to an international courier for export to Hong Kong. According to Zhu, she shipped the packages to Hong Kong and was aware the items would then be forwarded to mainland China.

Zhu was also aware of U.S. government export licensing requirements for optical sighting devices, *inter alia*, having been notified by U.S. Customs and Border Protection (“CBP”) on or about May 19, 2017, that a shipment of optical sighting devices exported by Zhu was seized by CBP for not having the requisite U.S. Government authorization.<sup>4</sup>

In so doing, Zhu committed one violation of 15 C.F.R. § 764.2(c).

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

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<sup>3</sup> Currently, the items are classified under ECCN 0A504. However, the items are still controlled on Crime Control grounds and would still require an export license to both Hong Kong and China.

<sup>4</sup> At that time, the seized items were determined to be controlled on the U.S. Munitions List under Category XII(c)(2)(i). U.S. State Department authorization pursuant to the International Trafficking in Arms Regulation, 22 C.F.R. Parts 120-130, was required to export the seized items.

WHEREAS, Zhu has reviewed, with the assistance of counsel, the terms of this Agreement, 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, and the Proposed Charging Letter, and understands the terms of all three documents;

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

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

WHEREAS, Zhu admits committing the alleged conduct described in the Proposed Charging Letter; and

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

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

1. BIS has jurisdiction over Zhu, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. The following sanctions shall be imposed against Zhu:
  - a. For a period of one (1) year from the date of the Order, Zhu, with a last known address of 101 Windsor Place Drive, Lawrenceville, GA 30043, and when acting for or on her behalf, her successors, assigns, employees, agent or representatives (the “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 an “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.

b. As authorized by Section 766.18(c) of the Regulations, the denial period shall be imposed and extended for a second year, but for that second year shall be suspended during a probationary period, and shall thereafter be waived, provided that Zhu has not committed another violation of ECRA, the Regulations, or any order, license or authorization issued under ECRA or the Regulations. If Zhu commits another violation of ECRA, the Regulations, or any order, license or authorization issued under ECRA or the Regulations, during the two-year period from the date of the Order, the suspended portion of the Order may be modified or revoked by BIS pursuant to Section 766.17(c) of the Regulations. If the suspension is modified or revoked, BIS may extend the active denial period until up to two-years from the date of the Order.

c. Any licenses issued under the Regulations in which Zhu has an interest as of the date of the Order shall be revoked by BIS.

3. Subject to the approval of this Agreement pursuant to Paragraph 7 hereof, Zhu hereby waives all rights to further procedural steps in this matter including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any charging letter; and (b) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued. Zhu 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 enforcement of this Agreement and the Order, if issued, from the date of the Order until the two-year period under the Order has successfully run.

4. BIS agrees that upon successful compliance in full with the terms of this Agreement and the Order, if issued, BIS will not initiate any further administrative proceeding against Zhu in connection with any violation of the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

5. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

6. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this

Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

7. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

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

9. Each signatory affirms that he/she has authority to enter into this Agreement and to bind his/her respective party to the terms and conditions set forth herein.

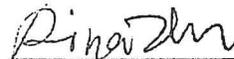
BUREAU OF INDUSTRY AND  
SECURITY  
U.S. DEPARTMENT OF COMMERCE

JOHN SONDERMAN  
Digitally signed by JOHN  
SONDERMAN  
Date: 2023.10.05  
07:11:30 -04'00'

John Sonderman  
Director of Export Enforcement

Date: 10/05/2023

DINA ZHU



Dina Zhu

Date: 10/11/2023

Reviewed and approved by:



Shuyang Xie, Esq.  
Demidchik Law Firm  
Counsel for Dina Zhu

Date: 10/11/2023



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Bureau of Industry and Security**  
**Office of Export Enforcement**  
1401 Constitution Avenue, Suite 4508  
Washington, DC 20230

PROPOSED CHARGING LETTER

Dina Zhu  
10 Windsor Chase Drive  
Lawrenceville, GA 30043

Dear Ms. Zhu,

The Bureau of Industry and Security, U.S. Department of Commerce (BIS), has reason to believe that Dina Zhu of Lawrenceville, Georgia, committed one violation of the Export Administration Regulations (the “EAR” or “Regulations”).<sup>1</sup> Specifically, BIS alleges the following violation:

**Charge 1 15 C.F.R. § 764.2(c) – Attempted Unlicensed Export to China**

On or about November 30, 2018, Zhu engaged in conduct prohibited by the Regulations by attempting to export optical sighting devices, items subject to the Regulations, and valued at approximately \$25,000, from the United States to the Peoples Republic of China (“China”), via Hong Kong, without the required Department of Commerce export license. At the time of the attempted export, the items were classified under export control classification (“ECCN”) 0A987 and controlled on Crime Control grounds.<sup>2</sup> Pursuant to Section 742.7 of the Regulations, a Department of Commerce export license was required before the items could be exported to Hong Kong or China. OEE was able to interdict this transaction by issuing the courier a re-delivery order to return or unload the shipment pursuant to Section 758.8 of the Regulations.

During a subsequent December 2018 interview with OEE Special Agents, Zhu admitted to responding to an online ad seeking help in exporting commodities to China. Zhu explained that optical sighting devices would be delivered to her house from U.S. vendors and then she would consolidate the packages and take them to an international courier for export to Hong Kong. According to Zhu, she shipped the packages to Hong Kong and was aware the items would then be forwarded to mainland China.

Zhu was also aware of U.S. government export licensing requirements for optical sighting devices, *inter alia*, having been notified by U.S. Customs and Border Protection (“CBP”) on or

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2021). Those regulations govern the violations at issue and set forth the procedures that apply to this matter.

<sup>2</sup> Currently, the items are classified under ECCN 0A504. However, the items are still controlled on Crime Control grounds and would still require an export license to both Hong Kong and China.



about May 19, 2017, that a shipment of optical sighting devices exported by Zhu was seized by CBP for not having the requisite U.S. Government authorization.<sup>3</sup>

In so doing, Zhu committed one violation of 15 C.F.R. § 764.2(c).

\* \* \* \* \*

Accordingly, Zhu is hereby notified that an administrative proceeding is instituted against her pursuant to 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 of an amount not to exceed the greater of \$328,121 per violation or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed;<sup>4</sup>
- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

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

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

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

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<sup>3</sup> At that time, the seized items were determined to be controlled on the U.S. Munitions List under Category XII(c)(2)(i). U.S. State Department authorization pursuant to the International Trafficking in Arms Regulation, 22 C.F.R. Parts 120-130, was required to export the seized items.

<sup>4</sup> *See* 50 U.S.C. § 4819 (prescribing civil monetary penalty amount for ECRA violation); 15 C.F.R. §§ 6.3(c)(4), 6.4 (adjusting civil monetary penalty amount for inflation).

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

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

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

Gregory Michelsen is the attorney representing BIS in this case; any communications that Zhu may wish to have concerning this matter should occur through him. Mr. Michelsen may be contacted by email at [gmichelsen@doc.gov](mailto:gmichelsen@doc.gov).

Sincerely,

John Sonderman  
Director  
Office of Export Enforcement