

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

\_\_\_\_\_  
In the Matter of: )  
)  
Curtis L. Hickcox )  
35 East Hill Road )  
Watertown, Connecticut 06795 )  
)  
Respondent )  
\_\_\_\_\_

ORDER RELATING TO CURTIS L. HICKCOX

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Curtis L. Hickcox (“Hickcox”) of its intention to initiate an administrative proceeding against Hickcox pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),<sup>2</sup> through the issuance of a Proposed Charging Letter to Hickcox that alleged that he committed two violations of the Regulations. Specifically, the charges are:

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

Between on or about January 21, 2006 through on or about February 15, 2006, Hickcox conspired and acted in concert with others, known and unknown, to bring about an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to bring about the export from the United States of epoxy paint and epoxy paint thinner, items subject to the Regulations, for use in a nuclear power plant that was under

<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violations occurred in 2006. The Regulations governing the violations at issue are found in the 2006 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2011 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 50 U.S.C. app. §§ 2401-2420 (2000). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 12, 2010 (75 Fed. Reg. 50,681 (Aug. 16, 2010)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*).

construction in Islamabad, Pakistan and under the ownership and control of the Pakistan Atomic Energy Commission (“PAEC”), without the required Department of Commerce license. PAEC is an entity that is listed on the Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. The nuclear plant was being constructed for PAEC by China Zhongyuan Engineering Corporation (“Zhongyuan”), with the assistance of subcontractor China Nuclear Engineering Huaxing Construction Co. Ltd. (“Huaxing”). The epoxy paint and thinner, which were designated as EAR99<sup>3</sup> and valued at approximately \$24,588.60, were for use in a nuclear reactor and core and were certified as meeting “Level 1” industry standards for such use. A license was required for any export or reexport of these items to PAEC or any PAEC nuclear power plant facility pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations.

In furtherance of the conspiracy, Hickcox, who at the time was a Regional Sales Manager at the Keeler & Long Plant at PPG Industries, Inc. (“PPG”), took actions designed to make the transaction appear to be a domestic sale in the United States between PPG and Innovative Decoration International Inc. (“IDI”), a PPG distributor with offices in both the United States and China, when, in fact, the items were to fulfill a contractual agreement between Huaxing and a PPG subsidiary, PPG Paints Trading (Shanghai) Co., Ltd. (“PPG Paints Trading”). The epoxy paint and thinner were destined for use at the PAEC nuclear plant. Hickcox directed a PPG sales representative on how to place a domestic order that would avoid detection by PPG export compliance. Hickcox communicated with an IDI representative to finalize the shipping method. He further arranged for the use of a freight forwarder to export the epoxy paint and thinner through Hong Kong to the PAEC facility in Pakistan. Hickcox worked with the freight forwarder to expedite the shipment, and repeatedly emailed the freight forwarder to pick up the shipment, emphasizing the urgency of the shipment because it had to arrive in Pakistan by a February 26, 2006 deadline, as agreed to between PPG Paints Trading and Huaxing.

Hickcox knew that the shipment to PAEC required a license and that export of the items to the PAEC facility through Hong Kong was a violation of the Regulations because he had been informed by the legal and compliance departments of his then-employer PPG that, “legal guidance indicates no way around obtaining the license prior to delivering the product to Pakistan. No 3<sup>rd</sup> party involvement or shipping to Tianjin and then to Pakistan is a possibility. These processes would be viewed as ‘intentional violation’ and would result in fines and jail time.” In addition, at the time of the conspiracy, Hickcox was aware that PPG had submitted a license application to the Department of Commerce relating to the Huaxing contract orders only on or about January 20, 2006, and that the application remained pending and that no license had been issued at the time of his actions in furtherance of the conspiracy.

In so doing, Hickcox committed one violation of Section 764.2(d) of the Regulations.

---

<sup>3</sup> 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) (2011).

**Charge 2                      15 C.F.R. § 764.2(b) – Causing, Aiding or Abetting a Violation  
of the Regulations**

Between on or about February 15, 2006 through on or about February 26, 2006, Hickcox caused, aided or abetted the unlicensed export from the United States of epoxy paint and epoxy paint thinner for use in a nuclear power plant that was under construction in Islamabad, Pakistan by Zhongyuan with the assistance of Huaxing. This nuclear plant was under the ownership and control of PAEC, an entity that is listed on the Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. Specifically, the epoxy paint and thinner, which were designated as EAR99 and valued at approximately \$24,588.60, were for use in a nuclear reactor and core and were certified as meeting “Level 1” industry standards for such use. A license was required for any export or reexport of these items to PAEC or any PAEC nuclear power plant facility pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations.

After Hickcox’s efforts to export these items, described in Charge 1, were stopped by PPG, Hickcox then caused an unlicensed export by informing an attorney hired by PPG that the epoxy paint and thinner were for a “mock up” and would not be used by PAEC, even though Hickcox had knowledge that there was no “mock up” and that the shipment was to be used for the PAEC facility. In fact, Hickcox had knowledge that the shipment was in partial fulfillment of a contract entered into between PPG subsidiary PPG Paints Trading and Huaxing to supply the items for Huaxing for use at the PAEC facility. In addition, when the attorney asked for a list of entities that were involved in the transaction, PPG Paints Trading provided the list, including PAEC, first to Hickcox. Before providing the list to the attorney via email, Hickcox deleted reference to PAEC’s involvement. Based on the false and misleading information Hickcox provided, i.e., that PAEC was not involved in the transaction and that the shipment was for a “mock up,” the attorney advised PPG that the shipment to Pakistan did not require a license. Based on this guidance, PPG exported the epoxy paint and thinner to the PAEC facility in violation of the Regulations.

In so doing, Hickcox committed one violation of Section 764.2(b) of the Regulations.

WHEREAS, BIS and Hickcox 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, that Hickcox shall be assessed a civil penalty in the amount of \$500,000.

Hickcox shall pay \$5,000 to the U.S. Department of Commerce within 30 days of the

date of the Order. Hickcox shall pay the U.S. Department of Commerce \$2,500 not later than September 30, 2011; \$2,500 not later than December 30, 2011; \$2,500 not later than March 30, 2012; and \$2,500 not later than June 29, 2012. Payment of the remaining \$485,000 shall be suspended for a period of two years from the date of issuance of the Order, and thereafter shall be waived, provided that during the two-year payment probationary period, Hickcox has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made full and timely payment of \$15,000 as set forth above.

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, Hickcox will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that Hickcox shall complete an export compliance training program on the Regulations within six (6) months of the issuance of this Order. Before he attends, Hickcox shall notify the Office of Export Enforcement, Special Agent in Charge of the New York Office, of the course he has selected. No later than seven (7) months from the date of issuance of the Order, Hickcox shall submit a certification of attendance from the training provider to the Office of Export Enforcement, 1200 South Avenue, Room 104, Staten Island, NY 10314.

FOURTH, that the full and timely payment of the civil penalty in accordance with the payment schedule set forth above, and the timely completion and submission of

verification of attendance at an export compliance training, are hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Hickcox.

FIFTH, Hickcox is not admitting or denying the allegations in the Proposed Charging Letter as part of the Settlement Agreement. He is not required to admit the allegations as part of the Settlement Agreement, but also shall not take any action or to make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or this Order. Nothing in this paragraph affects Hickcox's testimonial obligations, or right to take legal or factual positions in litigation or other legal proceedings in which the U.S. Department of Commerce or other federal agency is not a party.

SIXTH, that for a period of fifteen (15) years from the date of entry of the Order, Curtis L. Hickcox, a/k/a Curt Hickcox, with last known address of 35 East Hill Road, Watertown, Connecticut 06795, and when acting for or on his behalf, his representatives, assigns, 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 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 in any other activity subject to the Regulations.

SEVENTH, 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.

EIGHTH, 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.

NINTH, that, as authorized by Section 766.18(c) of the Regulations, the fifteen-year denial period set forth above shall be suspended during a probationary period of fifteen years from the date of this Order, and shall thereafter be waived, provided that during the probationary period under this Order, Hickcox has made full and timely payment of each civil penalty payment in accordance with the payment schedule set forth above, has timely completed and submitted verification of attendance at an export compliance training as set forth above, and has committed no other violation of the Act or any regulation, order or license issued thereunder. If Hickcox does not make full and timely payment of each civil penalty payment in accordance with the payment schedule set forth above, does not timely complete and submit verification of attendance at an export compliance training as set forth above, or commits another violation during the probationary period, the suspension may be modified or revoked by BIS and a denial order including a fifteen-year denial period activated against Hickcox.

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

Order  
Curtis L. Hickcox  
Page 8 of 8

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



David W. Mills  
Assistant Secretary of Commerce  
for Export Enforcement

Issued this 20 day of June, 2011.



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

\_\_\_\_\_  
In the Matter of: )  
 )  
Curtis L. Hickcox )  
35 East Hill Road )  
Watertown, Connecticut 06795 )  
 )  
Respondent )  
\_\_\_\_\_

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Curtis L. Hickcox (“Hickcox”) 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> issued pursuant to the Export Administration Act of 1979, as amended (the “Act”).<sup>2</sup>

WHEREAS, BIS has notified Hickcox of its intention to initiate an administrative proceeding against him, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Proposed Charging Letter to Hickcox that alleged that Hickcox committed two violations of the Regulations, specifically:

<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violations occurred in 2006. The Regulations governing the violations at issue is found in the 2006 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2011 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 50 U.S.C. app. §§ 2401-2420 (2000). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 12, 2010 (75 Fed. Reg. 50,681 (Aug. 16, 2010)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*).

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

Between on or about January 21, 2006 through on or about February 15, 2006, Hickcox conspired and acted in concert with others, known and unknown, to bring about an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to bring about the export from the United States of epoxy paint and epoxy paint thinner, items subject to the Regulations, for use in a nuclear power plant that was under construction in Islamabad, Pakistan and under the ownership and control of the Pakistan Atomic Energy Commission (“PAEC”), without the required Department of Commerce license. PAEC is an entity that is listed on the Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. The nuclear plant was being constructed for PAEC by China Zhongyuan Engineering Corporation (“Zhongyuan”), with the assistance of subcontractor China Nuclear Engineering Huaxing Construction Co. Ltd. (“Huaxing”). The epoxy paint and thinner, which were designated as EAR99<sup>3</sup> and valued at approximately \$24,588.60, were for use in a nuclear reactor and core and were certified as meeting “Level 1” industry standards for such use. A license was required for any export or reexport of these items to PAEC or any PAEC nuclear power plant facility pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations.

In furtherance of the conspiracy, Hickcox, who at the time was a Regional Sales Manager at the Keeler & Long Plant at PPG Industries, Inc. (“PPG”), took actions designed to make the transaction appear to be a domestic sale in the United States between PPG and Innovative Decoration International Inc. (“IDI”), a PPG distributor with offices in both the United States and China, when, in fact, the items were to fulfill a contractual agreement between Huaxing and a PPG subsidiary, PPG Paints Trading (Shanghai) Co., Ltd. (“PPG Paints Trading”). The epoxy paint and thinner were destined for use at the PAEC nuclear plant. Hickcox directed a PPG sales representative on how to place a domestic order that would avoid detection by PPG export compliance. Hickcox communicated with an IDI representative to finalize the shipping method. He further arranged for the use of a freight forwarder to export the epoxy paint and thinner through Hong Kong to the PAEC facility in Pakistan. Hickcox worked with the freight forwarder to expedite the shipment, and repeatedly emailed the freight forwarder to pick up the shipment, emphasizing the urgency of the shipment because it had to arrive in Pakistan by a February 26, 2006 deadline, as agreed to between PPG Paints Trading and Huaxing.

Hickcox knew that the shipment to PAEC required a license and that export of the items to the PAEC facility through Hong Kong was a violation of the Regulations because he had been informed by the legal and compliance departments of his then-employer PPG that, “legal guidance indicates no way around obtaining the license prior to delivering the product to Pakistan. No 3<sup>rd</sup> party involvement or shipping to Tianjin and then to Pakistan is a possibility. These processes would be viewed as ‘intentional violation’ and would result in fines and jail time.” In addition, at the time of the conspiracy, Hickcox was aware that PPG had submitted a license application to the Department of Commerce

---

<sup>3</sup> 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) (2011).

relating to the Huaxing contract orders only on or about January 20, 2006, and that the application remained pending and that no license had been issued at the time of his actions in furtherance of the conspiracy.

In so doing, Hickcox committed one violation of Section 764.2(d) of the Regulations.

**Charge 2                    15 C.F.R. § 764.2(b) – Causing, Aiding or Abetting a Violation of the Regulations**

Between on or about February 15, 2006 through on or about February 26, 2006, Hickcox caused, aided or abetted the unlicensed export from the United States of epoxy paint and epoxy paint thinner for use in a nuclear power plant that was under construction in Islamabad, Pakistan by Zhongyuan with the assistance of Huaxing. This nuclear plant was under the ownership and control of PAEC, an entity that is listed on the Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. Specifically, the epoxy paint and thinner, which were designated as EAR99 and valued at approximately \$24,588.60, were for use in a nuclear reactor and core and were certified as meeting “Level 1” industry standards for such use. A license was required for any export or reexport of these items to PAEC or any PAEC nuclear power plant facility pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations.

After Hickcox’s efforts to export these items, described in Charge 1, were stopped by PPG, Hickcox then caused an unlicensed export by informing an attorney hired by PPG that the epoxy paint and thinner were for a “mock up” and would not be used by PAEC, even though Hickcox had knowledge that there was no “mock up” and that the shipment was to be used for the PAEC facility. In fact, Hickcox had knowledge that the shipment was in partial fulfillment of a contract entered into between PPG subsidiary PPG Paints Trading and Huaxing to supply the items for Huaxing for use at the PAEC facility. In addition, when the attorney asked for a list of entities that were involved in the transaction, PPG Paints Trading provided the list, including PAEC, first to Hickcox. Before providing the list to the attorney via email, Hickcox deleted reference to PAEC’s involvement. Based on the false and misleading information Hickcox provided, i.e., that PAEC was not involved in the transaction and that the shipment was for a “mock up,” the attorney advised PPG that the shipment to Pakistan did not require a license. Based on this guidance, PPG exported the epoxy paint and thinner to the PAEC facility in violation of the Regulations.

In so doing, Hickcox committed one violation of Section 764.2(b) of the Regulations.

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

WHEREAS, Hickcox 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, Hickcox enters into this Agreement voluntarily and with full knowledge of his rights;

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

WHEREAS, Hickcox neither admits nor denies the allegations contained in the Proposed Charging Letter;

WHEREAS, Hickcox wishes to settle and dispose of all matters alleged in the Proposed Charging Letter by entering into this Agreement; and

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

2. The following sanction shall be imposed against Hickcox in complete settlement of the alleged violation of the Regulations relating to the transaction specifically detailed in the Proposed Charging Letter:

a. Hickcox shall be assessed a civil penalty in the amount of \$500,000. Hickcox shall pay \$5,000 to the U.S. Department of Commerce within 30 days of the date of the Order. Hickcox shall pay the U.S. Department of Commerce \$2,500 not later than September 30, 2011; \$2,500 not later than

December 30, 2011; \$2,500 not later than March 30, 2012; \$2,500 not later than June 29, 2012. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$485,000 shall be suspended for a period of two years from the date of issuance of the Order, and thereafter shall be waived, provided that during the two-year payment probationary period, Hickcox has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made full and timely payment of \$15,000 as set forth above.

b. Hickcox shall complete an export compliance training program on the Regulations within six (6) months of the issuance of this Order. Before he attends, Hickcox shall notify the Office of Export Enforcement, Special Agent in Charge of the New York Office, of the course he has selected. No later than seven (7) months from the date of issuance of the Order, Hickcox shall submit a certification of attendance from the training provider to the Office of Export Enforcement, 1200 South Avenue, Room 104, Staten Island, NY 10314.

c. The full and timely payment of the civil penalty agreed to in Paragraph 2.a. and the timely completion and submission of verification of attendance at an export compliance training in Paragraph 2.b., are hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Hickcox.

d. For a period of fifteen (15) years from the date of entry of the Order, Curtis L. Hickcox, a/k/a Curt Hickcox, with last known address of 35 East Hill Road, Watertown, Connecticut 06795, and when acting for or on his behalf, his representatives, assigns, 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 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 in any other activity subject to the Regulations.

e. BIS agrees that, as authorized by Section 766.18(c) of the Regulations, the fifteen (15) year denial period set forth in paragraph 2.d shall be suspended in its entirety for a period of fifteen (15) years from the date of the Order, and shall thereafter be waived, provided that during this probationary period under the Order, Hickcox has made full and timely payment of each civil penalty payment in accordance with the payment schedule agreed to in Paragraph 2.a above, has timely attended and submitted verification of attendance at an

export compliance training agreed to in Paragraph 2.b above, and has committed no other violation of the Act or any regulation, order or license issued thereunder. If Hickcox does not make full and timely payment of each civil penalty payment in accordance with the payment schedule set forth in Paragraph 2.a above, does not timely complete and submit verification of attendance at an export compliance training agreed to in Paragraph 2.b above, or commits another violation during the probationary period, the suspension may be modified or revoked by BIS and a denial order including a fifteen-year denial period activated against Hickcox.

3. Subject to the approval of this Agreement pursuant to Paragraph 9 hereof, Hickcox hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if issued), including, without limitation, any right to: (a) 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. Hickcox also waives and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, for the time period from the date of the Order, if issued, until the later of the date Hickcox pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement or the date Hickcox completes and submits verification of attendance at an export compliance training agreed to in Paragraph 2.b above, 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 the Agreement and Order, if issued.

4. Hickcox agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegations in the Proposed Charging Letter or the Order.

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

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

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.

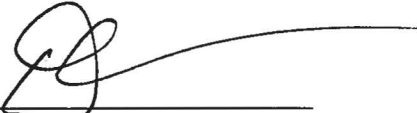
8. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department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



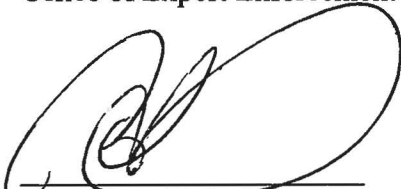
9. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

10. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind its respective party to the terms and conditions set forth herein.

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

  
\_\_\_\_\_  
Douglas R. Hassebrock  
Director  
Office of Export Enforcement

Date: 6/17, 2011

  
\_\_\_\_\_  
Curtis L. Hickcox

Date: 6/8, 2011

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Curtis L. Hickcox  
35 East Hill Road  
Watertown, Connecticut 06795

Dear Mr. Hickcox:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that you, Curtis L. Hickcox of Watertown, Connecticut (“Hickcox”), have committed two violations of the Export Administration Regulations (the “Regulations”),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).<sup>2</sup> Specifically, BIS alleges that Hickcox committed the following violations:

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

Between on or about January 21, 2006 through on or about February 15, 2006, Hickcox conspired and acted in concert with others, known and unknown, to bring about an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to bring about the export from the United States of epoxy paint and epoxy paint thinner, items subject to the Regulations, for use in a nuclear power plant that was under construction in Islamabad, Pakistan and under the ownership and control of the Pakistan Atomic Energy Commission (“PAEC”), without the required Department of Commerce license. PAEC is an entity that is listed on the Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. The nuclear plant was being constructed for PAEC by China Zhongyuan Engineering Corporation (“Zhongyuan”), with the assistance of subcontractor China Nuclear Engineering Huaxing Construction Co. Ltd. (“Huaxing”). The epoxy paint and thinner, which were designated as EAR99<sup>3</sup> and valued at approximately \$24,588.60, were for use in a nuclear reactor and core and were certified as meeting “Level 1” industry standards for such use. A license was required for any export or reexport of these items to PAEC or any PAEC nuclear power plant facility pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations.

---

<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The violations alleged occurred in 2006. The Regulations governing the violation at issue are found in the 2006 version of the Code of Federal Regulations, 15 C.F.R. Parts 730-774 (2006). The 2011 Regulations govern the procedural aspects of this case.

<sup>2</sup> 50 U.S.C. app. §§ 2401-2420 (2000). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 12, 2010 (75 Fed. Reg. 50,681 (Aug. 16, 2010)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*).

<sup>3</sup> 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) (2011).

In furtherance of the conspiracy, Hickcox, who at the time was a Regional Sales Manager at the Keeler & Long Plant at PPG Industries, Inc. (“PPG”), took actions designed to make the transaction appear to be a domestic sale in the United States between PPG and Innovative Decoration International Inc. (“IDI”), a PPG distributor with offices in both the United States and China, when, in fact, the items were to fulfill a contractual agreement between Huaxing and a PPG subsidiary, PPG Paints Trading (Shanghai) Co., Ltd. (“PPG Paints Trading”). The epoxy paint and thinner were destined for use at the PAEC nuclear plant. Hickcox directed a PPG sales representative on how to place a domestic order that would avoid detection by PPG export compliance. Hickcox communicated with an IDI representative to finalize the shipping method. He further arranged for the use of a freight forwarder to export the epoxy paint and thinner through Hong Kong to the PAEC facility in Pakistan. Hickcox worked with the freight forwarder to expedite the shipment, and repeatedly emailed the freight forwarder to pick up the shipment, emphasizing the urgency of the shipment because it had to arrive in Pakistan by a February 26, 2006 deadline, as agreed to between PPG Paints Trading and Huaxing.

Hickcox knew that the shipment to PAEC required a license and that export of the items to the PAEC facility through Hong Kong was a violation of the Regulations because he had been informed by the legal and compliance departments of his then-employer PPG that, “legal guidance indicates no way around obtaining the license prior to delivering the product to Pakistan. No 3<sup>rd</sup> party involvement or shipping to Tianjin and then to Pakistan is a possibility. These processes would be viewed as ‘intentional violation’ and would result in fines and jail time.” In addition, at the time of the conspiracy, Hickcox was aware that PPG had submitted a license application to the Department of Commerce relating to the Huaxing contract orders only on or about January 20, 2006, and that the application remained pending and that no license had been issued at the time of his actions in furtherance of the conspiracy.

In so doing, Hickcox committed one violation of Section 764.2(d) of the Regulations.

**Charge 2                      15 C.F.R. § 764.2(b) – Causing, Aiding or Abetting a Violation of the Regulations**

Between on or about February 15, 2006 through on or about February 26, 2006, Hickcox caused, aided or abetted the unlicensed export from the United States of epoxy paint and epoxy paint thinner for use in a nuclear power plant that was under construction in Islamabad, Pakistan by Zhongyuan with the assistance of Huaxing. This nuclear plant was under the ownership and control of PAEC, an entity that is listed on the Entity List set forth in Supplement No. 4 to Part 744 of the Regulations. Specifically, the epoxy paint and thinner, which were designated as EAR99 and valued at approximately \$24,588.60, were for use in a nuclear reactor and core and were certified as meeting “Level 1” industry standards for such use. A license was required for any export or reexport of these items to PAEC or any PAEC nuclear power plant facility pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations.

After Hickcox's efforts to export these items, described in Charge 1, were stopped by PPG, Hickcox then caused an unlicensed export by informing an attorney hired by PPG that the epoxy paint and thinner were for a "mock up" and would not be used by PAEC, even though Hickcox had knowledge that there was no "mock up" and that the shipment was to be used for the PAEC facility. In fact, Hickcox had knowledge that the shipment was in partial fulfillment of a contract entered into between PPG subsidiary PPG Paints Trading and Huaxing to supply the items for Huaxing for use at the PAEC facility. In addition, when the attorney asked for a list of entities that were involved in the transaction, PPG Paints Trading provided the list, including PAEC, first to Hickcox. Before providing the list to the attorney via email, Hickcox deleted reference to PAEC's involvement. Based on the false and misleading information Hickcox provided, i.e., that PAEC was not involved in the transaction and that the shipment was for a "mock up," the attorney advised PPG that the shipment to Pakistan did not require a license. Based on this guidance, PPG exported the epoxy paint and thinner to the PAEC facility in violation of the Regulations.

In so doing, Hickcox committed one violation of Section 764.2(b) of the Regulations.

\* \* \* \* \*

Accordingly, Hickcox is hereby notified that an administrative proceeding is instituted against him pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions and any other liability sanction or penalty available under law, including, but not limited to any or all of the following:

- The maximum civil penalty allowed by law of up to the greater of \$250,000 per violation, or twice the value of the transaction that is the basis of the violation;<sup>4</sup>
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

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

---

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

Proposed Charging Letter  
Curtis L. Hickcox  
Page 4 of 4

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

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

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Hickcox'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 Hickcox's answer must be served on BIS at the following address:

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

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

Sincerely,

Douglas R. Hassebrock  
Director  
Office of Export Enforcement