

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

In the Matter of:)	
)	
Xun Wang)	11-BIS-0004
No. 30, Lane 3535, Yindu Road)	
Shanghai, 201108)	
People's Republic of China)	
)	
and)	
)	
115 Tobin Clark Drive)	
Hillsborough, CA 94010)	
)	
Respondent)	

ORDER RELATING TO XUN WANG

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Xun Wang (“Wang”) of its intention to initiate an administrative proceeding against Wang pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),² through the issuance of a Charging Letter to Wang that, as amended, (“Charging Letter”) alleges that Wang committed one violation of the Regulations. Specifically, the charge is:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violation occurred in 2006 and 2007. The Regulations governing the violation at issue are found in the 2006 and 2007 versions of the Code of Federal Regulations. 15 C.F.R. Parts 730-774 (2006-2007). The 2011 Regulations set forth the procedures that apply to this matter.

² 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, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), 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

Beginning on or about June 15, 2006, and continuing through on or about March 2007, Xun Wang 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 of epoxy paint and epoxy paint thinner, items subject to the Regulations, to Pakistan, through China, for use in the Chasma 2 nuclear power plant that was under construction in Islamabad, Pakistan, and was a subordinate entity under the ownership and control of the Pakistan Atomic Energy Commission (“PAEC”), an entity that is listed on the Entity List set forth in Supplement No. 4 to Part 744 of the Regulations, without the required Department of Commerce license. The Chasma 2 nuclear plant was being constructed for PAEC by China Zhongyuan Engineering Corporation (“Zhongyuan”) with the assistance of subcontractor China Nuclear Industry Huaxing Construction Co. Ltd. (“Huaxing”). The epoxy paint and thinner were designated as EAR99³ items and were certified as meeting industry standards for “Level 1” use in a nuclear reactor and core. Pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations, a Department of Commerce license was required before these items could be exported or reexported to the PAEC or any PAEC subordinate nuclear power plant.

On or about June 8, 2006, Wang, at the time Managing Director of PPG Paints Trading (Shanghai) Co., Ltd. (“PPG Paints Trading”), learned that PPG’s application for a U.S. export license to export the items to the PAEC’s Chasma 2 plant had been denied. On or about June 15, 2006, Wang and other representatives of PPG Paints Trading met with Huaxing to discuss the denial of the license and whether PPG Paints Trading would be able to supply Huaxing with U.S.-origin PPG epoxy paint and thinner. During this meeting, Wang and Huaxing developed and agreed upon a scheme under which PPG Paints Trading would supply the PPG epoxy paint and thinner to Huaxing for use in the PAEC facility despite the lack of a U.S. export license. Under this scheme, a third-party Chinese distributor would be added to the transaction to facilitate obtaining the items from PPG and the transshipment of the items to Pakistan after their arrival in China. This transaction structure was designed to avoid the shipment of the items from the United States directly to the PAEC’s Chasma 2 facility in Pakistan and the U.S. license requirement for such an export. Thereafter, the conspirators, including Xun Wang, took and/or directed actions in furtherance of the conspiracy, including, inter alia, selecting a third party in China to serve as the intermediary party in the transaction and arranging for the delivery of the items to China from PPG in the United States.

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

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) (2011).

WHEREAS, BIS and Wang have entered into a Settlement Agreement pursuant to Section 766.18(b) 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, Wang shall be assessed a civil penalty in the amount of \$250,000. Wang shall pay \$50,000 to the U.S. Department of Commerce within 30 days of the date of the Order. Wang shall pay the U.S. Department of Commerce \$50,000 not later than April 30, 2012; \$50,000 not later than July 30, 2012; and \$50,000 not later than October 30, 2012. Payment of the remaining \$50,000 shall be suspended for a period of five years from the date of the Order, and thereafter shall be waived, provided that during the five-year payment probationary period under the Order, Wang has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$200,000 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, Wang will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the full and timely payment of the civil penalty in accordance with the payment schedule set forth above is hereby made a condition to the granting,

restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Wang.

FOURTH, that for a period of ten (10) years from the date of entry of the Order, Xun Wang, with last known addresses of No. 30, Lane 3535, Yindu Road, Shanghai, 201108, People's Republic of China, and 115 Tobin Clark Drive, Hillsborough, CA 94010, and when acting for or on her behalf, her 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 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.

FIFTH, 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.

SIXTH, 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

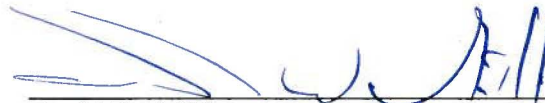
conduct of trade or related services may also be made subject to the provisions of the Order.

SEVENTH, that, as authorized by Section 766.18(c) of the Regulations, the ten-year denial period set forth above shall be active for a period of five years from the date of the Order. The remaining five years of the denial period shall be suspended, and shall thereafter be waived at the conclusion of the ten-year denial period, provided that Wang has made full and timely payment of the civil penalty as set forth above and has committed no other violation of the Act or any regulation, order, license or authorization issued thereunder during the ten-year denial period. If Wang does not make full and timely payment of the civil penalty or commits another violation, the suspension may be modified or revoked by BIS.

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

NINTH, that this Order shall be served on Wang and on BIS, and shall be published in the *Federal Register*.

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 16 day of November, 2011.

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

In the Matter of:)	
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Xun Wang)	11-BIS-0004
No. 30, Lane 3535, Yindu Road)	
Shanghai, 201108)	
People's Republic of China)	
)	
and)	
)	
115 Tobin Clark Drive)	
Hillsborough, CA 94010)	
)	
Respondent)	

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Xun Wang (“Wang”) and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively, the “Parties”), pursuant to Section 766.18(b) of the Export Administration Regulations (the “Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (the “Act”).²

WHEREAS, BIS has initiated an administrative proceeding against Wang, pursuant to the Act and the Regulations;

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violation occurred in 2006 and 2007. The Regulations governing the violations at issue is found in the 2006 and 2007 versions of the Code of Federal Regulations. 15 C.F.R. Parts 730-774 (2006-2007). The 2011 Regulations set forth the procedures that apply to this matter.

² 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, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

WHEREAS, BIS issued a Charging Letter to Wang that, as amended (the “Charging Letter”), alleges that Wang committed one violation of the Regulations, specifically:

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

Beginning on or about June 15, 2006, and continuing through on or about March 2007, Xun Wang 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 of epoxy paint and epoxy paint thinner, items subject to the Regulations, to Pakistan, through China, for use in the Chasma 2 nuclear power plant that was under construction in Islamabad, Pakistan, and was a subordinate entity under the ownership and control of the Pakistan Atomic Energy Commission (“PAEC”), an entity that is listed on the Entity List set forth in Supplement No. 4 to Part 744 of the Regulations, without the required Department of Commerce license. The Chasma 2 nuclear plant was being constructed for PAEC by China Zhongyuan Engineering Corporation (“Zhongyuan”) with the assistance of subcontractor China Nuclear Industry Huaxing Construction Co. Ltd. (“Huaxing”). The epoxy paint and thinner were designated as EAR99³ items and were certified as meeting industry standards for “Level 1” use in a nuclear reactor and core. Pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations, a Department of Commerce license was required before these items could be exported or reexported to the PAEC or any PAEC subordinate nuclear power plant.

On or about June 8, 2006, Wang, at the time Managing Director of PPG Paints Trading (Shanghai) Co., Ltd. (“PPG Paints Trading”), learned that PPG’s application for a U.S. export license to export the items to the PAEC’s Chasma 2 plant had been denied. On or about June 15, 2006, Wang and other representatives of PPG Paints Trading met with Huaxing to discuss the denial of the license and whether PPG Paints Trading would be able to supply Huaxing with U.S.-origin PPG epoxy paint and thinner. During this meeting, Wang and Huaxing developed and agreed upon a scheme under which PPG Paints Trading would supply the PPG epoxy paint and thinner to Huaxing for use in the PAEC facility despite the lack of a U.S. export license. Under this scheme, a third-party Chinese distributor would be added to the transaction to facilitate obtaining the items from PPG and the transshipment of the items to Pakistan after their arrival in China. This transaction structure was designed to avoid the shipment of the items from the United States directly to the PAEC’s Chasma 2 facility in Pakistan and the U.S. license requirement for such an export. Thereafter, the conspirators, including Xun Wang, took and/or directed actions in furtherance of the conspiracy, including, inter alia, selecting a third party in China to serve as the intermediary party in the transaction and arranging for the delivery of the items to China from PPG in the United States.

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) (2011).

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

WHEREAS, Wang has reviewed the 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;

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

WHEREAS, the Parties enter into this Agreement having taken into consideration a plea agreement entered between Wang and the U.S. Attorney’s Office for the District of Columbia;

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

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

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

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

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

a. Wang shall be assessed a civil penalty in the amount of \$250,000.

Wang shall pay \$50,000 to the U.S. Department of Commerce within 30 days of the date of the Order. Wang shall pay the U.S. Department of Commerce \$50,000 not later than April 30, 2012; \$50,000 not later than July 30, 2012; and \$50,000 not later than October 30, 2012. Payment of the remaining \$50,000 shall be suspended for a period of five years from the date of the Order, and thereafter shall be waived, provided that during the five-year payment probationary period under the Order, Wang has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$200,000 as set forth above.

b. The full and timely payment of the civil penalty agreed to in Paragraph 2.a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Wang.

c. For a period of ten (10) years from the date of entry of the Order, Xun Wang, with last known addresses of No. 30, Lane 3535, Yindu Road, Shanghai, 201108, People's Republic of China, and 115 Tobin Clark Drive, Hillsborough, CA 94010, and when acting for or on her behalf, her 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 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.
- d. BIS agrees that, as authorized by Section 766.18(c) of the Regulations, the ten-year denial period set forth in Paragraph 2.c shall be active for a period of five years from the date of the Order. The remaining five years of the denial period shall be suspended, and shall thereafter be waived at the conclusion of the ten-year denial period, provided that Wang has made full and timely payment in accordance with Paragraph 2.a above and has committed no other violation of the Act or any regulation, order, license or authorization issued thereunder during the ten-year denial period. If Wang does not make full and

timely payment in accordance with Paragraph 2.a above, the suspension may be modified or revoked by BIS.

3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, Wang 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. Wang 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 Charging Letter or in connection with collection of the civil penalty or enforcement of this Agreement and the Order, if issued, from the date of the Order until the later of the date Wang pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement.

4. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a above, BIS will not initiate any further administrative proceeding against Wang in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Charging Letter.

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

6. 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

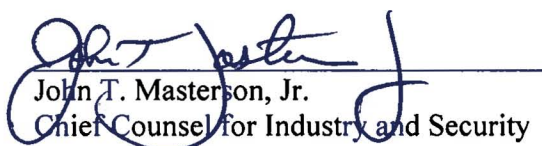
Commerce for Export Enforcement pursuant to Section 766.18(b) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

7. 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.

8. 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.

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

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


John T. Masterson, Jr.
Chief Counsel for Industry and Security

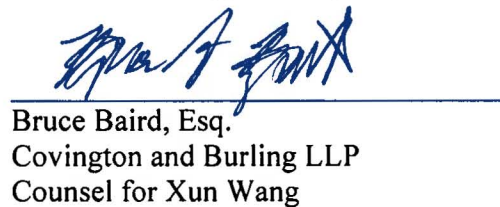
Date: 11/15/11

XUN WANG


Xun Wang

Date: Nov. 15, 2011

Reviewed and approved by:


Bruce Baird, Esq.
Covington and Burling LLP
Counsel for Xun Wang

Date: Nov. 15, 2011

NOV 17 2011



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Industry and Security
Washington, D.C. 20230

CHARGING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Xun Wang
No. 30, Lane 3535, Yindu Road
Shanghai, 201108
People's Republic of China

and

115 Tobin Clark Drive
Hillsborough, CA 94010

Attention: Xun Wang

Dear Ms. Wang:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that you, Xun Wang ("Wang"), of Shanghai, People's Republic of China ("China"), and Hillsborough, CA, have committed one violation of the Export Administration Regulations (the "Regulations"),¹ which issued under the authority of the Export Administration Act of 1979, as amended (the "Act").² Specifically, BIS alleges that Wang committed the following violation:

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

Beginning on or about June 15, 2006, and continuing through on or about March 2007, Xun Wang 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 of epoxy paint and epoxy paint thinner, items subject to the Regulations, to Pakistan, through China, for use in the Chasma 2 nuclear

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The violation alleged occurred in 2006 and 2007. The Regulations governing the violation at issue are found in the 2006 and 2007 versions of the Code of Federal Regulations. 15 C.F.R. Parts 730-774 (2006-2007). The 2011 Regulations govern the procedural aspects of this case.

² 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, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).



power plant that was under construction in Islamabad, Pakistan, and was a subordinate entity under the ownership and control of the Pakistan Atomic Energy Commission (“PAEC”), an entity that is listed on the Entity List set forth in Supplement No. 4 to Part 744 of the Regulations, without the required Department of Commerce license. The Chasma 2 nuclear plant was being constructed for PAEC by China Zhongyuan Engineering Corporation (“Zhongyuan”) with the assistance of subcontractor China Nuclear Industry Huaxing Construction Co. Ltd. (“Huaxing”). The epoxy paint and thinner were designated as EAR99³ items and were certified as meeting industry standards for “Level 1” use in a nuclear reactor and core. Pursuant to Section 744.1 and Supplement No. 4 to Part 744 of the Regulations, a Department of Commerce license was required before these items could be exported or reexported to the PAEC or any PAEC subordinate nuclear power plant.

On or about June 8, 2006, Wang, at the time Managing Director of PPG Paints Trading (Shanghai) Co., Ltd. (“PPG Paints Trading”), learned that PPG’s application for a U.S. export license to export the items to the PAEC’s Chasma 2 plant had been denied. On or about June 15, 2006, Wang and other representatives of PPG Paints Trading met with Huaxing to discuss the denial of the license and whether PPG Paints Trading would be able to supply Huaxing with U.S.-origin PPG epoxy paint and thinner. During this meeting, Wang and Huaxing developed and agreed upon a scheme under which PPG Paints Trading would supply the PPG epoxy paint and thinner to Huaxing for use in the PAEC facility despite the lack of a U.S. export license. Under this scheme, a third-party Chinese distributor would be added to the transaction to facilitate obtaining the items from PPG and the transshipment of the items to Pakistan after their arrival in China. This transaction structure was designed to avoid the shipment of the items from the United States directly to the PAEC’s Chasma 2 facility in Pakistan and the U.S. license requirement for such an export. Thereafter, the conspirators, including Xun Wang, took and/or directed actions in furtherance of the conspiracy, including, inter alia, selecting a third party in China to serve as the intermediary party in the transaction and arranging for the delivery of the items to China from PPG in the United States.

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

* * * * *

Accordingly, Wang is hereby notified that an administrative proceeding is instituted against her 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:

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) (2011).

- 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;⁴
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

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

Wang 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. Wang 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 Wang have a proposal to settle this case, Wang should transmit it to the attorney representing BIS named below.

Wang is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Wang 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, Wang'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 Wang'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.

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

Xun Wang
Charging Letter
Page 4 of 4

Washington, D.C. 20230

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

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Hassebrock', followed by a long horizontal line extending to the right.

Douglas R. Hassebrock
Director
Office of Export Enforcement