

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

In the Matter of:

Yaming Nina Qi Hanson
#1003, 2 Unit, 40 Bldg., Xuriwan Garden
Xiangzhou District,
Zhuhai, Guangdong Province,
People's Republic of China

Respondent

ORDER RELATING TO
YAMING NINA QI HANSON

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has notified Yaming Nina Qi Hanson, of Zhuhai, Guangdong Province, People's Republic of China ("Qi Hanson"), of its intention to initiate an administrative proceeding against Qi Hanson 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 Proposed Charging Letter to Qi Hanson that alleges that Qi Hanson 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 (2013). The charged violation occurred in 2009. The Regulations governing the violations at issue are found in the 2009 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2013 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 15, 2012 (77 Fed. Reg. 49699 (Aug. 16, 2012)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 & Supp. IV 2010).

**Charge 1 15 C.F.R. § 764.2(g): Misrepresentation and Concealment of
Facts in the Course of an Investigation**

On or about January 29, 2009, Qi Hanson made false or misleading statements to the U.S. Government in the course of an investigation. Specifically, in relation to an investigation of unlicensed exports to the People's Republic of China ("China") of 20 autopilots, items subject to the Regulations, and valued at approximately \$90,340, during an interview with a BIS special agent and an FBI special agent on or about January 29, 2009, Qi Hanson represented that several old university classmates in China provided her with \$75,000 to purchase the autopilots from the Canadian seller. Qi Hanson knew at the time she made this statement to the agents that it was false and that in fact Fang Yu, President of Xi'an XiangYu Aviation Technical Group of Xian, China, had given her money to finance the entire purchase.

In so doing, Qi Hanson committed one violation of Section 764.2(g) of the Regulations.

WHEREAS, BIS and Qi Hanson 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 for a period of fifteen (15) years from the date of this Order, Qi Hanson, with a last known address of #1003, 2 Unit, 40 Bldg., Xuriwan Garden, Xiangzhou District, Zhuhai, Guangdong Province, People's Republic of China, 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.

SECOND, 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.

THIRD, 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.

FOURTH, Qi Hanson shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or the Order. The foregoing does not affect Qi Hanson's testimonial obligations in any proceeding, nor does it affect its right to take legal or factual positions in civil litigation or other civil proceedings in which the U.S. Department of Commerce is not a party.

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

SIXTH, that this Order shall be served on Qi Hanson, 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 16th day of July, 2013.

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

In the Matter of:

Yaming Nina Qi Hanson
#1003, 2 Unit, 40 Bldg., Xuriwan Garden
Xiangzhou District,
Zhuhai, Guangdong Province,
People's Republic of China

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Yaming Nina Qi Hanson, of Zhuhai, Guangdong Province, People’s Republic of China (“Qi Hanson”), and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively, the “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (the “Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (the “Act”).²

WHEREAS, BIS has notified Qi Hanson of its intentions to initiate an administrative proceeding against Qi Hanson, 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 (2013). The charged violation occurred in 2009. The Regulations governing the violations at issue are found in the 2009 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2013 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 15, 2012 (77 Fed. Reg. 49699 (Aug. 16, 2012)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 & Supp. IV 2010).

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

Charge 1 15 C.F.R. § 764.2(g): Misrepresentation and Concealment of Facts in the Course of an Investigation

On or about January 29, 2009, Qi Hanson made false or misleading statements to the U.S. Government in the course of an investigation. Specifically, in relation to an investigation of unlicensed exports to the People's Republic of China ("China") of 20 autopilots, items subject to the Regulations, and valued at approximately \$90,340, during an interview with a BIS special agent and an FBI special agent on or about January 29, 2009, Qi Hanson represented that several old university classmates in China provided her with \$75,000 to purchase the autopilots from the Canadian seller. Qi Hanson knew at the time she made this statement to the agents that it was false and that in fact Fang Yu, President of Xi'an XiangYu Aviation Technical Group of Xian, China, had given her money to finance the entire purchase.

In so doing, Qi Hanson committed one violation of Section 764.2(g) of the Regulations.

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

WHEREAS, Qi Hanson 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, Qi Hanson 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 by Qi Hanson in the U.S. District Court of the District of Columbia;

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

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

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

a. For a period of fifteen (15) years from the date of the Order, Qi Hanson, with a last known address of #1003, 2 Unit, 40 Bldg., Xuriwan Garden, Xiangzhou District, Zhuhai, Guangdong Province, People's Republic of China, 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.

3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, Qi Hanson 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. Qi Hanson 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 in connection with collection of the civil penalty or enforcement of this Agreement and the Order, if issued.

4. Qi Hanson shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or the Order. The foregoing does not affect Qi Hanson's testimonial obligations in any proceeding, nor does it affect his right to take legal or factual positions in civil litigation or other civil proceedings in which the U.S. Department of Commerce is not a party.

5. Upon issuance of the Order, BIS will not initiate any further administrative proceeding against Qi Hanson in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

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(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.

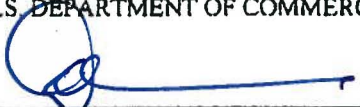
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department 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. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, available to the public.

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

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



Douglas R. Hassebrock
Director of Export Enforcement

YAMING NINA QI HANSON

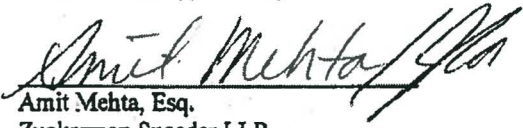


Yaming Nina Qi Hanson

Date: 7/15/13

Date: July 15, 2013

Reviewed and approved by:



Amit Mehta, Esq.
Zuckerman Spaeder LLP
Counsel for Yaming Nina Qi Hanson

Date: July 15, 2013

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Yaming Nina Qi Hanson
#1003, 2 Unit, 40 Bldg., Xuriwan Garden
Xiangzhou District,
Zhuhai, Guangdong Province,
People's Republic of China

Dear Ms. Qi Hanson:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that you, Yaming Nina Qi Hanson ("Qi Hanson"), in your individual capacity, 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 charges that Qi Hanson committed the following violation:

Charge 1 15 C.F.R. § 764.2(g): Misrepresentation and Concealment of Facts in the Course of an Investigation

On or about January 29, 2009, Qi Hanson made false or misleading statements to the U.S. Government in the course of an investigation. Specifically, in relation to an investigation of unlicensed exports to the People's Republic of China ("China") of 20 autopilots, items subject to the Regulations, and valued at approximately \$90,340, during an interview with a BIS special agent and an FBI special agent on or about January 29, 2009, Qi Hanson represented that several old university classmates in China provided her with \$75,000 to purchase the autopilots from the Canadian seller. Qi Hanson knew at the time she made this statement to the agents that it was false and that in fact Fang Yu, President of Xi'an XiangYu Aviation Technical Group of Xian, China, had given her money to finance the entire purchase.

In so doing, Qi Hanson committed one violation of Section 764.2(g) of the Regulations.

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2013). The charged violation occurred in 2009. The Regulations governing the violations at issue are found in the 2009 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2013 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 15, 2012 (77 Fed. Reg. 49699 (Aug. 16, 2012)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.* (2006 & Supp. IV 2010)).

* * * * *

Accordingly, Qi Hanson 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:

- 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;³
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

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

Qi Hanson 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. Qi Hanson 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 Qi Hanson have a proposal to settle this case, Qi Hanson or her representative should transmit it to the attorney representing BIS named below.

Qi Hanson is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Qi Hanson 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, Qi Hanson'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

³ *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

Yaming Nina Qi Hanson
Proposed Charging Letter
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In addition, a copy of Qi Hanson'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
United States Department of Commerce
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 Hanson 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