

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

In the Matter of:

Comasec SAS
5 Allée des Bas Tilliers
92230 Gennevilliers, France

Respondent

ORDER RELATING TO
COMASEC SAS

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Comasec SAS, of Gennevilliers, France (“Comasec”), of its intention to initiate an administrative proceeding against it 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 Comasec that alleges four violations of the Regulations. Specifically, the charges are:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2012). The charged violations occurred in 2008-2009. The Regulations governing the violations at issue are found in the 2008-2009 versions 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 8, 2013 (78 Fed. Reg. 49107 (Aug. 12, 2013)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 & Supp. IV 2010).

Charges 1-2 15 C.F.R. § 764.2(b) – Causing, Aiding or Abetting

On or about June 27, 2008, and on or about September 19, 2008, Comasec caused, aided or abetted the doing of an act prohibited by the Regulations by buying, selling and/or arranging for the transport of approximately 35,000 pairs of Nitrotough N115 and Blue Nitrile gloves, items subject to the Regulations³ and the Iranian Transactions Regulations (“ITR”),⁴ and with a combined value of approximately \$43,500, from the United States to Iran via the United Arab Emirates (“UAE”), without the required U.S. government authorization. Pursuant to Section 560.204 of the ITR, maintained by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC. Under Section 560.204 of the ITR, the exportation, reexportation, sale or supply, directly or indirectly, from the United States of any goods to Iran was prohibited at all times pertinent hereto, including the exportation, sale or supply of items from the United States to a third country, such as the UAE, undertaken with knowledge or reason to know that the items were intended for supply, transshipment, or reexportation, directly or indirectly, to Iran.

Specifically, Comasec bought from a related United States company, Marigold Industrial USA Inc. (“Ansell/Marigold”),⁵ the items to enable Comasec to fill an order placed by its customer, Zhabeh Safety Co., of Tehran, Iran (“Zhabeh”). The invoices for the transactions between Comasec and Ansell/Marigold show that the items were destined for Zhabeh in Iran. Comasec corresponded with both Zhabeh and Ansell/Marigold to arrange for the items to be shipped to Iran through Dubai, UAE. Thereafter, the items were shipped by Ansell/Marigold from the United States to Dubai, UAE, for transshipment to Zhabeh in Iran.

No U.S. government authorization was sought or obtained for these transactions even though Comasec knew or had reason to know that Iran was the ultimate destination for the items.

In so doing, Comasec committed two violations of section 764.2(b) of the Regulations.

³ The items were designated as “EAR99” under the Regulations. 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).

⁴ 31 C.F.R. Part 560 (2008). On October 22, 2012, the ITR were renamed the Iranian Transactions and Sanctions Regulations (“ITSR”) and reissued in their entirety by the Treasury Department’s Office of Foreign Assets Control. See 77 Fed. Reg. 64,664 (Oct. 22, 2012). Section 560.204 remains unchanged in pertinent part. See 31 C.F.R. § 560.204 (2008 and 2012).

⁵ On July 1, 2013, Marigold Industrial USA, Inc. (“Marigold”) was merged into Ansell Protective Products Inc., of Iselin, New Jersey (“Ansell”).

Charges 3-4 15 C.F.R. § 764.2(h) – Evasion

On two occasions, on or about March 22, 2009, and on or about March 27, 2009, respectively, Comasec engaged in transactions or took actions with the intent to evade the Regulations in connection with the attempted unlawful export from the United States to Iran of items subject to the Regulations. Comasec arranged for and coordinated the attempted export to Iran a total of approximately 30,000 pairs of Nitrotough N115 industrial-strength gloves, items subject to the Regulations⁶ and the ITR,⁷ and with a combined value of approximately \$30,200, without the U.S. Government authorization required pursuant to the long-standing U.S. trade embargo against Iran. Comasec sought, along with Ansell/Marigold, to avoid this requirement and detection by law enforcement by, *inter alia*, structuring the transactions as transshipments to Iran via the UAE.

At all times pertinent hereto, Section 746.7 of the Regulations prohibited any person from exporting or reexporting an item subject to both the Regulations and the ITR to Iran without prior authorization from OFAC, which administers the ITR. Under Section 560.204 of the ITR, the exportation, reexportation, sale or supply, directly or indirectly, from the United States of any goods to Iran was prohibited at all times pertinent hereto, including the attempted exportation, sale or supply of items from the United States to a third country, such as the UAE, undertaken with knowledge or reason to know that the items were intended for supply, transshipment, or reexportation, directly or indirectly, to Iran.

Comasec purchased the items from a related company in the United States, Ansell/Marigold, to enable Comasec to fill orders placed by its Iranian customer, Zhahbeh. Emails among Comasec and Ansell/Marigold show that both entities knew about the U.S. embargo against Iran and that exports of the items to Iran were prohibited under U.S. law.

On February 17, 2009, the Export Manager at Comasec emailed the Director of Business Development-America at Ansell/Marigold, stating, “Our Iranian customer is willing to receive some cases [of the items] by air directly to Tehran.” The Export Manager at Comasec understood that “such [an] operation is impossible from the USA[,]” a fact confirmed by Ansell/Marigold on February 23, 2009, in an email from Ansell/Marigold’s Director of Business Development-America, in which he stated, “There is some negative heat being generated by Iran regarding being ‘nuclear ready’ which may cause the USA to react negatively” to exports to Iran. After briefly discussing using Canada “as a transshipment point” to export the items to Iran, Ansell/Marigold and Comasec instead decided to transship the items to Iran through the UAE. In a February 23, 2009 email to Ansell/Marigold’s Director of Business Development-America, Comasec’s Export Manager wrote, “[W]e can provide quotation to Dubai as this Emirate is a kind of hub for

⁶ The items were designated as “EAR99” under the Regulations.

⁷ 31 C.F.R. Part 560 (2009). See also note 4, *supra*.

goods to go round the embargo in Iran.” The Ansell/Marigold Director of Business Development-America responded by email, stating, “Pls give me an address [in] Dubai so we can give that to UPS.” Shortly thereafter that same day, Comasec provided Ansell/Marigold a ship-to address in Dubai.

On March 4, 2009, Comasec’s Export Manager detailed the agreed upon scheme to another Ansell/Marigold employee in an email, copying the Ansell/Marigold Director of Business Development-America. In that email, the Comasec Export Manager explained the structure of the transactions, stating: “Being the customer [is] based in Iran, it is much easier to handle the order from the French organization and sales ledger. Our customer cannot pay on US bank account Shipping from the USA is complicating the whole process as we have to send the product to Dubai first and address them to a Middle company. This company is then reshipping to Iran[.]” The “Middle company” to be used in furtherance of the scheme had been discussed and agreed upon via email by Comasec and Ansell/Marigold on February 23, 2009, as alleged above. Consistent with this devised scheme, Ansell/Marigold thereafter attempted, with Comasec’s knowledge and participation, to ship the items to the “Middle company” in Dubai, UAE, for transshipment to Iran.

No U.S. Government authorization was sought or obtained for these attempted unlawful exports to Iran, which were thwarted when, on or about March 22, 2009, Customs and Border Protection (“CBP”) detained approximately 2,000 pairs of the items while the items were in route from Chicago, IL, and on or about March 27, 2009, when BIS detained the remaining approximately 28,000 pairs of the items in Greenville, SC. When informed by a freight forwarder on March 23, 2009, that CBP had detained the first shipment and that to seek the release of the detained items and avoid their seizure, Comasec would need to provide a letter of instruction clearly identifying the ultimate consignee, Comasec provided a false written certification the following day identifying the purported ultimate consignee in Dubai, knowing that the certification would be submitted to CBP.

In so doing, Comasec committed two violations of Section 764.2(h) of the Regulations.

WHEREAS, BIS and Comasec 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, Comasec shall be assessed a civil penalty in the amount of \$190,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of this Order.

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, Comasec 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 as 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 Comasec. Accordingly, if Comasec should fail to pay the civil penalty in a full and timely manner, the undersigned may issue an order denying all of Comasec's export privileges under the Regulations for a period of one year from the date of failure to make such payment.

FOURTH, Comasec 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 Comasec'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.

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

A handwritten signature in blue ink, appearing to read 'D. Mills', is written over a horizontal line.

David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Issued this 31 day of January, 2014.

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

In the Matter of:

Comasec SAS
5 Allée des Bas Tilliers
92230 Gennevilliers, France

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Comasec SAS, of Gennevilliers, France ("Comasec"), 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 Comasec of its intentions to initiate an administrative proceeding against it, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Proposed Charging Letter to Comasec that alleges the following four violations of the Regulations:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2012). The charged violations occurred in 2008-2009. The Regulations governing the violations at issue are found in the 2008-2009 versions 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.

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Specifically, Comasec bought from a related United States company, Marigold Industrial USA Inc. (“Ansell/Marigold”),⁵ the items to enable Comasec to fill an order placed by its customer, Zhabehe Safety Co., of Tehran, Iran (“Zhabehe”). The invoices for the transactions between Comasec and Ansell/Marigold show that the items were destined for Zhabehe in Iran. Comasec corresponded with both Zhabehe and Ansell/Marigold to arrange for the items to be shipped to Iran through Dubai, UAE. Thereafter, the items were shipped by Ansell/Marigold from the United States to Dubai, UAE, for transshipment to Zhabehe in Iran.

No U.S. government authorization was sought or obtained for these transactions even though Comasec knew or had reason to know that Iran was the ultimate destination for the items.

In so doing, Comasec committed two violations of section 764.2(b) of the Regulations.

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No U.S. Government authorization was sought or obtained for these attempted unlawful exports to Iran, which were thwarted when, on or about March 22, 2009, Customs and Border Protection (“CBP”) detained approximately 2,000 pairs of the items while the items were in route from Chicago, IL, and on or about March 27, 2009, when BIS detained the remaining approximately 28,000 pairs of the items in Greenville, SC. When informed by a freight forwarder on March 23, 2009, that CBP had detained the first shipment and that to seek the release of the detained items and avoid their seizure, Comasec would need to provide a letter of instruction clearly identifying the ultimate consignee, Comasec provided a false written certification the following day identifying the purported ultimate consignee in Dubai, knowing that the certification would be submitted to CBP.

In so doing, Comasec committed two violations of Section 764.2(h) of the Regulations.

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

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

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

WHEREAS, Comasec neither admits nor denies the allegations contained in the Proposed Charging Letter, and

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

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

a. Comasec shall be assessed a civil penalty in the amount of \$190,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of the Order. Payment shall be made in the manner specified in the attached instructions.

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 Comasec. Failure to make full and timely payment of the civil penalty may result in the denial of all of Comasec's export

privileges under the Regulations for one year from the date of the failure to make such payment.

3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, Comasec 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. Comasec 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, from the date of the Order until Comasec pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement.

4. Comasec 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 Comasec'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.

5. Upon issuance of the Order, BIS will not initiate any further administrative proceeding against Comasec 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

COMASEC SAS



Peter Dobbelsteijn
President and Chief Executive Officer
Comasec SAS

Date: _____

1/30/14

Date: _____

28/1/14'

Reviewed and approved by:

David L. Hall, Esq.
Wiggin and Dana
Counsel for Comasec SAS

Date: _____

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BUREAU OF INDUSTRY AND
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U.S. DEPARTMENT OF COMMERCE

COMASEC SAS

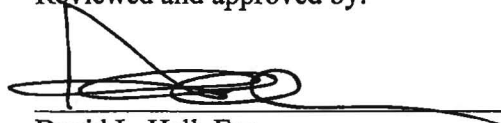
Douglas R. Hassebrock
Director of Export Enforcement

Peter Dobbelsteijn
President and Chief Executive Officer
Comasec SAS

Date: _____

Date: _____

Reviewed and approved by:



David L. Hall, Esq.
Wiggin and Dana
Counsel for Comasec SAS

Date: _____

PROPOSED CHARGING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Comasec SAS
5 Allée des Bas Tilliers
92230 Gennevilliers, France

Attn: Peter Dobbelsteijn
President and Chief Executive Officer

Dear Mr. Dobbelsteijn:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Comasec SAS, of Gennevilliers, France (“Comasec”), has committed four violations 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 Comasec committed the following violations:

Charges 1-2 15 C.F.R. § 764.2(b) – Causing, Aiding or Abetting

On or about June 27, 2008, and on or about September 19, 2008, Comasec caused, aided or abetted the doing of an act prohibited by the Regulations by buying, selling and/or arranging for the transport of approximately 35,000 pairs of Nitrotough N115 and Blue Nitrile gloves, items subject to the Regulations³ and the Iranian Transactions Regulations (“ITR”),⁴ and with a combined value of approximately \$43,500, from the United States to Iran via the United Arab

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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 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended most recently by the Notice of August 8, 2013 (78 Fed. Reg. 49,107 (Aug. 12, 2013)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.* (2006 & Supp. IV 2010)).

³ The items were designated as “EAR99” under the Regulations. 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).

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Emirates (“UAE”), without the required U.S. government authorization. Pursuant to Section 560.204 of the ITR, maintained by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), an export to a third country intended for transshipment to Iran is a transaction that requires OFAC authorization. Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC. Under Section 560.204 of the ITR, the exportation, reexportation, sale or supply, directly or indirectly, from the United States of any goods to Iran was prohibited at all times pertinent hereto, including the exportation, sale or supply of items from the United States to a third country, such as the UAE, undertaken with knowledge or reason to know that the items were intended for supply, transshipment, or reexportation, directly or indirectly, to Iran.

Specifically, Comasec bought from a related United States company, Marigold Industrial USA Inc. (“Ansell/Marigold”),⁵ the items to enable Comasec to fill an order placed by its customer, Zhabeh Safety Co., of Tehran, Iran (“Zhabeh”). The invoices for the transactions between Comasec and Ansell/Marigold show that the items were destined for Zhabeh in Iran. Comasec corresponded with both Zhabeh and Ansell/Marigold to arrange for the items to be shipped to Iran through Dubai, UAE. Thereafter, the items were shipped by Ansell/Marigold from the United States to Dubai, UAE, for transshipment to Zhabeh in Iran.

No U.S. government authorization was sought or obtained for these transactions even though Comasec knew or had reason to know that Iran was the ultimate destination for the items.

In so doing, Comasec committed two violations of section 764.2(b) of the Regulations.

Charges 3-4 15 C.F.R. § 764.2(h) – Evasion

On two occasions, on or about March 22, 2009, and on or about March 27, 2009, respectively, Comasec engaged in transactions or took actions with the intent to evade the Regulations in connection with the attempted unlawful export from the United States to Iran of items subject to the Regulations. Comasec arranged for and coordinated the attempted export to Iran a total of approximately 30,000 pairs of Nitrotough N115 industrial-strength gloves, items subject to the Regulations⁶ and the ITR,⁷ and with a combined value of approximately \$30,200, without the U.S. Government authorization required pursuant to the long-standing U.S. trade embargo against Iran. Comasec sought, along with Ansell/Marigold, to avoid this requirement and detection by law enforcement by, *inter alia*, structuring the transactions as transshipments to Iran via the UAE.

⁵ On July 1, 2013, Marigold Industrial USA, Inc. (“Marigold”) was merged into Ansell Protective Products Inc., of Iselin, New Jersey (“Ansell”).

⁶ The items were designated as “EAR99” under the Regulations.

⁷ 31 C.F.R. Part 560 (2009). See also note 4, *supra*.

At all times pertinent hereto, Section 746.7 of the Regulations prohibited any person from exporting or reexporting an item subject to both the Regulations and the ITR to Iran without prior authorization from OFAC, which administers the ITR. Under Section 560.204 of the ITR, the exportation, reexportation, sale or supply, directly or indirectly, from the United States of any goods to Iran was prohibited at all times pertinent hereto, including the attempted exportation, sale or supply of items from the United States to a third country, such as the UAE, undertaken with knowledge or reason to know that the items were intended for supply, transshipment, or reexportation, directly or indirectly, to Iran.

Comasec purchased the items from a related company in the United States, Ansell/Marigold, to enable Comasec to fill orders placed by its Iranian customer, Zhabeh. Emails among Comasec and Ansell/Marigold show that both entities knew about the U.S. embargo against Iran and that exports of the items to Iran were prohibited under U.S. law.

On February 17, 2009, the Export Manager at Comasec emailed the Director of Business Development-America at Ansell/Marigold, stating, "Our Iranian customer is willing to receive some cases [of the items] by air directly to Tehran." The Export Manager at Comasec understood that "such [an] operation is impossible from the USA[.]" a fact confirmed by Ansell/Marigold on February 23, 2009, in an email from Ansell/Marigold's Director of Business Development-America, in which he stated, "There is some negative heat being generated by Iran regarding being 'nuclear ready' which may cause the USA to react negatively" to exports to Iran. After briefly discussing using Canada "as a transshipment point" to export the items to Iran, Ansell/Marigold and Comasec instead decided to transship the items to Iran through the UAE. In a February 23, 2009 email to Ansell/Marigold's Director of Business Development-America, Comasec's Export Manager wrote, "[W]e can provide quotation to Dubai as this Emirate is a kind of hub for goods to go round the embargo in Iran." The Ansell/Marigold Director of Business Development-America responded by email, stating, "Pls give me an address [in] Dubai so we can give that to UPS." Shortly thereafter that same day, Comasec provided Ansell/Marigold a ship-to address in Dubai.

On March 4, 2009, Comasec's Export Manager detailed the agreed upon scheme to another Ansell/Marigold employee in an email, copying the Ansell/Marigold Director of Business Development-America. In that email, the Comasec Export Manager explained the structure of the transactions, stating: "Being the customer [is] based in Iran, it is much easier to handle the order from the French organization and sales ledger. Our customer cannot pay on US bank account Shipping from the USA is complicating the whole process as we have to send the product to Dubai first and address them to a Middle company. This company is then reshipping to Iran[.]" The "Middle company" to be used in furtherance of the scheme had been discussed and agreed upon via email by Comasec and Ansell/Marigold on February 23, 2009, as alleged above. Consistent with this devised scheme, Ansell/Marigold thereafter attempted, with Comasec's knowledge and participation, to ship the items to the "Middle company" in Dubai, UAE, for transshipment to Iran.

No U.S. Government authorization was sought or obtained for these attempted unlawful exports to Iran, which were thwarted when, on or about March 22, 2009, Customs and Border Protection ("CBP") detained approximately 2,000 pairs of the items while the items were in route from

Chicago, IL, and on or about March 27, 2009, when BIS detained the remaining approximately 28,000 pairs of the items in Greenville, SC. When informed by a freight forwarder on March 23, 2009, that CBP had detained the first shipment and that to seek the release of the detained items and avoid their seizure, Comasec would need to provide a letter of instruction clearly identifying the ultimate consignee, Comasec provided a false written certification the following day identifying the purported ultimate consignee in Dubai, knowing that the certification would be submitted to CBP.

In so doing, Comasec committed two violations of Section 764.2(h) of the Regulations.

* * * * *

Accordingly, Comasec is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including 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;⁸
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If Comasec 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 (2013). If Comasec defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Comasec. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

Comasec is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. *See* 15 C.F.R. § 766.6 (2013). Comasec is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. *See* 15 C.F.R. §§ 766.3(a) and 766.4 (2013).

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18 (2013). Should Comasec have a proposal to settle this case, Comasec or its representative should transmit it to the attorney representing BIS named below.

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

⁸ *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

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

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

Chief Counsel for Industry and Security
Attention: Elias Wolfberg, Esq.
Room H-3839
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Elias Wolfberg is the attorney representing BIS in this case; any communications that Comasec may wish to have concerning this matter should occur through him. Mr. Wolfberg may be contacted by telephone at (202) 482-5301.

Douglas R. Hassebrock
Director
Office of Export Enforcement