

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

In the Matter of:

Aramex Emirates, LLC
P.O. Box 95946
Dubai, United Arab Emirates

Respondent

ORDER RELATING TO ARAMEX EMIRATES, LLC

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Aramex Emirates, LLC, of Dubai, United Arab Emirates (“Aramex Emirates”), of its intention to initiate an administrative proceeding against Aramex Emirates 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 Aramex Emirates that alleges that Aramex Emirates committed two violations of the Regulations. Specifically, the charges are:

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

On two occasions, on or about December 22, 2010, and on or about February 10, 2011, Aramex Emirates engaged in conduct prohibited by the Regulations by causing, aiding, and/or abetting the unlicensed export and reexport to Syria, via the United Arab Emirates

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2013). The charged violations occurred in 2010-2011. The Regulations governing the violations at issue are found in the 2010-2011 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2010-2011)). 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 13,222 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 Notice of August 8, 2013 (78 Fed. Reg. 49,107 (August 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).

(U.A.E.), of network devices and software without the required Department of Commerce licenses. The network devices and software were classified under the Regulations under Export Control Classification Numbers (ECCNs) 5A002 and 5D002, respectively, controlled for National Security and Anti-Terrorism reasons and as Encryption items, valued at approximately \$892,677, and are used to monitor and control Web traffic. Aramex Emirates agreed to receive, and did in fact receive, the two shipments from another freight forwarder in the U.A.E. Aramex Emirates then proceeded to transfer, transport and/or forward the items from the U.A.E. to Syria.

Under the widely-known U.S. trade embargo against Syria, no item subject to the Regulations may be exported or reexported to Syria without a Department of Commerce license, with the exception of certain medicines and food, as set forth at all times pertinent hereto in General Order No. 2, codified in Supplement No. 1 to Part 736 of the Regulations.³ Aramex Emirates had internal and external documents showing that the United States was the country of origin for the items and that it knew that the items were destined for end users in Syria.

Aramex Emirates's cargo system team in the U.A.E., including employees involved in the transactions at issue, received instructions about the U.S. sanctions against Syria via an October 20, 2009 company-wide circular entitled "Exporting US-made Products to Countries under the U.S.A. Trade Ban" and informing them that they "should not in any way move ... equipment, devices & technology manufactured in the U.S.A." to Syria, Iran, Sudan, Cuba, or North Korea. The circular further stated, "Export Shipments destined to countries falling under a U.S. and/or the European trade ban: No employee is allowed to carry on with the export of such shipments i[f] s/he get[s] to know in any way, shape or form that the contents of these shpts are not allowed to be exported to the countries falling under the ban." A related company-wide procedure prepared by Aramex Emirates concerning screening and securing all air freight shipments was circulated to Aramex Emirates's U.A.E. cargo system team on December 14, 2009.

Furthermore, an Aramex Emirates "security team" reviewed and approved both transactions even though the information it was provided showed that the transactions would violate the U.S. sanctions against Syria.

In taking these actions to facilitate the unlicensed exports and reexport to Syria described above, Aramex Emirates committed two violations of 764.2(b).

³ General Order No. 2 was issued pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003. On December 12, 2011, the controls on exports and reexports to Syria were moved to Section 746.9 of the Regulations. The licensing requirements continued unchanged. *See* 76 Fed. Reg. 77,115 (Dec. 12, 2011).

WHEREAS, BIS and Aramex Emirates 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, Aramex Emirates shall be assessed a civil penalty in the amount of \$125,000, 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, Aramex Emirates 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 Aramex Emirates. Accordingly, if Aramex Emirates should fail to pay the civil penalty in a full and timely manner as set forth above, the undersigned may issue an order denying all of Aramex Emirates's export privileges under the Regulations for a period of one year from the date of failure to make such payment or complete and submit the audit report.

FOURTH, Aramex Emirates 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 Aramex Emirates'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.



David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Issued this 8th day of May, 2014.

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

In the Matter of:

Aramex Emirates, LLC
P.O. Box 95946
Dubai, United Arab Emirates

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Aramex Emirates, LLC, of Dubai, United Arab Emirates (“Aramex Emirates”), 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 Aramex Emirates of its intentions to initiate an administrative proceeding against Aramex Emirates, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Proposed Charging Letter to Aramex Emirates that alleges that Aramex Emirates committed two violations of the Regulations, specifically:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2013). The charged violations occurred in 2010-2011. The Regulations governing the violations at issue are found in the 2010-2011 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2010-2011)). 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 13,222 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 Notice of August 8, 2013 (78 Fed. Reg. 49,107 (August 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 a Violation

On two occasions, on or about December 22, 2010, and on or about February 10, 2011, Aramex Emirates engaged in conduct prohibited by the Regulations by causing, aiding, and/or abetting the unlicensed export and reexport to Syria, via the United Arab Emirates (U.A.E.), of network devices and software without the required Department of Commerce licenses. The network devices and software were classified under the Regulations under Export Control Classification Numbers (ECCNs) 5A002 and 5D002, respectively, controlled for National Security and Anti-Terrorism reasons and as Encryption items, valued at approximately \$892,677, and are used to monitor and control Web traffic. Aramex Emirates agreed to receive, and did in fact receive, the two shipments from another freight forwarder in the U.A.E. Aramex Emirates then proceeded to transfer, transport and/or forward the items from the U.A.E. to Syria.

Under the widely-known U.S. trade embargo against Syria, no item subject to the Regulations may be exported or reexported to Syria without a Department of Commerce license, with the exception of certain medicines and food, as set forth at all times pertinent hereto in General Order No. 2, codified in Supplement No. 1 to Part 736 of the Regulations.³ Aramex Emirates had internal and external documents showing that the United States was the country of origin for the items and that it knew that the items were destined for end users in Syria.

Aramex Emirates's cargo system team in the U.A.E., including employees involved in the transactions at issue, received instructions about the U.S. sanctions against Syria via an October 20, 2009 company-wide circular entitled "Exporting US-made Products to Countries under the U.S.A. Trade Ban" and informing them that they "should not in any way move ... equipment, devices & technology manufactured in the U.S.A." to Syria, Iran, Sudan, Cuba, or North Korea. The circular further stated, "Export Shipments destined to countries falling under a U.S. and/or the European trade ban: No employee is allowed to carry on with the export of such shipments i[f] s/he get[s] to know in any way, shape or form that the contents of these shpts are not allowed to be exported to the countries falling under the ban." A related company-wide procedure prepared by Aramex Emirates concerning screening and securing all air freight shipments was circulated to Aramex Emirates's U.A.E. cargo system team on December 14, 2009.

Furthermore, an Aramex Emirates "security team" reviewed and approved both transactions even though the information it was provided showed that the transactions would violate the U.S. sanctions against Syria.

In taking these actions to facilitate the unlicensed exports and reexport to Syria described above, Aramex Emirates committed two violations of 764.2(b).

³ General Order No. 2 was issued pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003. On December 12, 2011, the controls on exports and reexports to Syria were moved to Section 746.9 of the Regulations. The licensing requirements continued unchanged. *See* 76 Fed. Reg. 77,115 (Dec. 12, 2011).

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

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

WHEREAS, Aramex Emirates neither admits nor denies the allegations contained in the Proposed Charging Letter; and

WHEREAS, Aramex Emirates 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 Aramex Emirates, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. The following sanctions shall be imposed against Aramex Emirates in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the Proposed Charging Letter:
 - a. Aramex Emirates shall be assessed a civil penalty in the amount of \$125,000, 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 as set forth 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 Aramex Emirates. Failure to make full and timely payment of the civil penalty as set forth in Paragraph 2.a may result in the denial of all of Aramex Emirates's export privileges under the Regulations for one year from the date of the failure to make such payment or complete and submit the audit report.

3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, Aramex Emirates 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. Aramex Emirates 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 the later of the date Aramex Emirates pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement.

4. Aramex Emirates 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 Aramex Emirates'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. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a, BIS will not initiate any further administrative proceeding against Aramex Emirates 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.

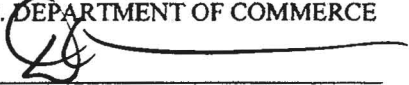
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department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

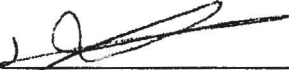
BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE



Douglas R. Hassebrock
Director of Export Enforcement

Date: 5/1/14

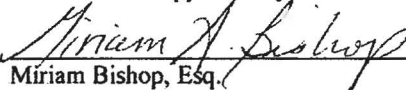
ARAMEX EMIRATES, LLC



Hussein Wehbe
General Manager

Date: 29 APRIL 2014

Reviewed and approved by:



Miriam Bishop, Esq.
Willkie Farr & Gallagher LLP
Counsel for Aramex Emirates, LLC

Date: Apr. 29, 2014

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Aramex Emirates, LLC
P.O. Box 95946
Dubai, United Arab Emirates

Attn: President/CEO

Dear Sir/Madam:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Aramex Emirates, LLC, of Dubai, United Arab Emirates (“Aramex Emirates”), has committed two 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:

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

On two occasions, on or about December 22, 2010, and on or about February 10, 2011, Aramex Emirates engaged in conduct prohibited by the Regulations by causing, aiding, and/or abetting the unlicensed export and reexport to Syria, via the United Arab Emirates (U.A.E.), of network devices and software without the required Department of Commerce licenses. The network devices and software were classified under the Regulations under Export Control Classification Numbers (ECCNs) 5A002 and 5D002, respectively, controlled for National Security and Anti-Terrorism reasons and as Encryption items, valued at approximately \$892,677, and are used to monitor and control Web traffic. Aramex Emirates agreed to receive, and did in fact receive, the two shipments from another freight forwarder in the U.A.E. Aramex Emirates then proceeded to transfer, transport and/or forward the items from the U.A.E. to Syria.

Under the widely-known U.S. trade embargo against Syria, no item subject to the Regulations may be exported or reexported to Syria without a Department of Commerce license, with the exception of certain medicines and food, as set forth at all times pertinent hereto in General

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2013). The charged violations occurred in 2010 and 2011. The Regulations governing the violations at issue are found in the 2010-2011 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2010-2011)). The 2013 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420. 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 (August 12, 2013)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 and Supp. IV 2010).

Order No. 2, codified in Supplement No. 1 to Part 736 of the Regulations.³ Aramex Emirates had internal and external documents showing that the United States was the country of origin for the items and that it knew that the items were destined for end users in Syria.

Aramex Emirates's cargo system team in the U.A.E., including employees involved in the transactions at issue, received instructions about the U.S. sanctions against Syria via an October 20, 2009 company-wide circular entitled "Exporting US-made Products to Countries under the U.S.A. Trade Ban" and informing them that they "should not in any way move ... equipment, devices & technology manufactured in the U.S.A." to Syria, Iran, Sudan, Cuba, or North Korea. The circular further stated, "Export Shipments destined to countries falling under a U.S. and/or the European trade ban: No employee is allowed to carry on with the export of such shipments i[f] s/he get[s] to know in any way, shape or form that the contents of these shpts are not allowed to be exported to the countries falling under the ban." A related company-wide procedure prepared by Aramex Emirates concerning screening and securing all air freight shipments was circulated to Aramex Emirates's U.A.E. cargo system team on December 14, 2009.

Furthermore, an Aramex Emirates "security team" reviewed and approved both transactions even though the information it was provided showed that the transactions would violate the U.S. sanctions against Syria.

In taking these actions to facilitate the unlicensed exports and reexport to Syria described above, Aramex Emirates committed two violations of 764.2(b).

* * * * *

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

³ General Order No. 2 was issued pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003. On December 12, 2011, the controls on exports and reexports to Syria were moved to Section 746.9 of the Regulations. The licensing requirements continued unchanged. *See* 76 Fed. Reg. 77,115 (Dec. 12, 2011).

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

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

Aramex Emirates 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. Aramex Emirates 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.

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

Aramex Emirates is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Aramex Emirates 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, Aramex Emirates'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 Aramex Emirates's answer must be served on BIS at the following address:

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

Aramex Emirates, LLC
Proposed Charging Letter
Page 4 of 4

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

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement