

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

In the Matter of:

Gatewick LLC
a/k/a Gatewick Freight & Cargo Services
a/k/a Gatewick Aviation Services
Mohamad Abdulla Algaz Building
Al Maktoum Street
Al Rigga
Dubai, United Arab Emirates

and

G#22 Dubai Airport Free Zone
P.O. Box 393754,
Dubai, United Arab Emirates

and

P.O. Box 52404
Dubai, United Arab Emirates

Respondent

14-BIS-002

ORDER RELATING TO
GATEWICK LLC

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Gatewick LLC, of Dubai, United Arab Emirates, a/k/a Gatewick Freight & Cargo Services, a/k/a Gatewick Aviation Services (“Gatewick”), that it has initiated an administrative proceeding against Gatewick pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ and Section 13(c) of the Export

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2014). The charged violations 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)(2009). The 2014 Regulations set forth the procedures that apply to this matter.

Administration Act of 1979, as amended (the "Act"),² through the issuance of a Charging Letter to Gatewick that alleges that Gatewick committed three violations of the Regulations. Specifically, the charges are:

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

In or about February 2009, Gatewick LLC ("Gatewick") conspired and acted in concert with others, known and unknown, to bring about an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to bring about the export from the United States to Iran, via the United Arab Emirates ("UAE"), of approximately 2,300 computer motherboards, items subject to the Regulations³ and valued at approximately \$130,000, without the required U.S. Government authorization. Pursuant to Section 746.7 of the Regulations, no person may export or reexport an item subject to the EAR if such transaction is prohibited by the Iranian Transactions Regulations ("ITR"), and has not been authorized by the U.S. Department of the Treasury's Office of Foreign Assets Control ("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 by the ITR⁴ at all times pertinent hereto, including the exportation, reexportation, 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.

Gatewick is a freight and cargo services company in the UAE and at all times pertinent hereto the sole booking agent for air freight forwarding and cargo services for Mahan Airways, an Iranian airline. Gatewick entered into an agreement with Seyed Mousavi Trading, an Iranian trading company, in connection with the export of the items to Iran. Gatewick agreed to receive the goods ordered by Seyed Mousavi Trading from the

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 7, 2014 (79 Fed. Reg. 46959 (Aug. 11, 2014)), 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 are designated as EAR99, which is the designation for items subject to the Regulations but not included on the Commerce Control List. *See* 15 C.F.R. § 774.1 (2009).

⁴ 31 C.F.R. Part 560 (2009). Administered by the Treasury Department's Office of Foreign Assets Control ("OFAC"), the ITR were renamed the Iranian Transactions and Sanctions Regulations ("ITSR") and reissued in their entirety by OFAC on October 22, 2012. *See* 77 Fed.Reg. 64,664 (Oct. 22, 2012). Section 560.204 remains unchanged in pertinent part. *See* 31 C.F.R. § 560.204 (2009 and 2014).

United States using Mahan Airways' import code and to then ship the goods from the UAE to their destination in Iran. In furtherance of the conspiracy, Seyed Mousavi Trading, which identified itself to the U.S. reseller as a UAE company, ordered the 2,300 computer motherboards from the reseller for shipment to the UAE. The motherboards were actually destined for Seyed Mousavi Trading's customer in Iran. Pursuant to Seyed Mousavi Trading's instructions, the U.S. reseller shipped the motherboards, from the United States to Gatewick's location in the UAE. Consistent with the agreed-upon scheme, Gatewick received the items on February 8, 2009. Gatewick shipped the items the following day, February 9, 2009, from the UAE to Iran via Mahan Airways. No U.S. Government authorization was received for the export of the computer motherboards to Iran.

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

Charge 2 15 C.F.R. § 764.2(b)- Causing, Aiding or Abetting an Unlicensed Export

On or about February 8 and February 9, 2009, Gatewick caused, aided, or abetted a violation of the Regulations. Specifically, Gatewick facilitated the export from the United States to Iran, via the UAE, of approximately 2,300 computer motherboards, items subject to the Regulations⁵ and valued at approximately \$130,000, without the required U.S. Government authorization. Gatewick received the items in the UAE from the United States, and, upon receiving the items, Gatewick shipped them from the UAE to Iran.

Pursuant to Section 746.7 of the Regulations, no person may export or reexport an item subject to the EAR if such transaction is prohibited by the Iranian Transactions Regulations ("ITR"), and has not been authorized by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"). Under Section 560.204 of the ITR,⁶ the exportation, reexportation, sale or supply, directly or indirectly, from the United States of any goods to Iran was prohibited by the ITR at all times pertinent hereto, including the exportation, reexportation, 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. No OFAC authorization was sought or obtained for the export of the computer motherboards to Iran.

⁵ The items are designated as EAR99, which is the designation for items subject to the Regulations but not included on the Commerce Control List. *See* 15 C.F.R. § 774.1 (2009).

⁶ 31 C.F.R. Part 560 (2009). Administered by the Treasury Department's Office of Foreign Assets Control ("OFAC"), the ITR were renamed the Iranian Transactions and Sanctions Regulations ("ITSR") and reissued in their entirety by OFAC on October 22, 2012. *See* 77 Fed.Reg. 64,664 (Oct. 22, 2012). Section 560.204 remains unchanged in pertinent part. *See* 31 C.F.R. § 560.204 (2009 and 2014).

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

Charge 3 15 C.F.R. § 764.2(k) - Acting Contrary to the Terms of a Denial Order

On or about February 8 and February 9, 2009, Gatewick took actions prohibited by a BIS denial order. Specifically, Gatewick took actions that, contrary to the terms of a BIS denial order, facilitated the acquisition by Mahan Airways, an Iranian airline and a denied person since March 21, 2008, of the ownership, possession or control of approximately 2,300 computer motherboards, items subject to the Regulations⁷ and valued at approximately \$130,000. The items were exported from the United States to Gatewick's location in the UAE. Gatewick used Mahan Airways import code to receive the items in the UAE and then shipped the items from the UAE to Iran via Mahan Airways.

Mahan Airways was named as a Denied Person in a temporary denial order ("TDO") issued by BIS effective on March 21, 2008, and was subsequently renewed by BIS and in force and effect at all pertinent times hereto.⁸ Under the TDO, all persons, including Gatewick, were prohibited from "taking any action that facilitates the acquisition or attempted acquisition by the Denied Person [Mahan Airways] of the ownership, possession, or control of any item subject to the EAR that has been or will be exported from the United States"

In acting contrary to the terms of a BIS denial order, as alleged above, Gatewick committed one violation of Section 764.2(k) of the Regulations.

WHEREAS, BIS and Gatewick 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;⁹ and

⁷ The items are designated as EAR99, which is the designation for items subject to the Regulations but not included on the Commerce Control List. *See* 15 C.F.R. § 774.1 (2009).

⁸ The initial TDO was issued by BIS on March 17, 2008, and effective upon publication in the Federal Register on March 21, 2008. 73 Fed. Reg. 15,130. The TDO was renewed for 180 days on September 17, 2008, by order effective upon issuance on that date. 73 Fed. Reg. 57,051 (Oct. 1, 2008). The TDO remains in effect today against Mahan Airways, having been renewed most recently on July 22, 2014. 79 Fed. Reg. 44,002 (Jul. 29, 2014).

⁹ The citation dates in footnotes 1, 2, 4, 6 and 8 of the Charging Letter have been updated, as applicable, from 2013 to 2014 for purposes of the Settlement Agreement and this Order.

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, Gatewick shall be assessed a civil penalty in the amount of \$40,000.

Gatewick shall pay the U.S. Department of Commerce in two installments of: \$20,000 not later than September 1, 2014; and \$20,000 not later than December 1, 2014. If either of the two installment payments is not fully and timely made, any remaining scheduled installment payments may become due and owing immediately.

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, Gatewick 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 for a period of seven (7) years from the date of this Order, Gatewick LLC, also known as Gatewick Freight & Cargo Services, also known as Gatewick Aviation Services, with last known addresses of Mohamad Abdulla Algaz Building, Al Maktoum Street, Al Rigga, Dubai, United Arab Emirates and G#22 Dubai Airport Free Zone, P.O. Box 393754, Dubai, United Arab Emirates and P.O. Boz 52404, Dubai, United Arab Emirates, and when acting for or on its behalf, its successors, assigns, representatives, directors, officers, employees, or agents (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.

FOURTH, 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.

FIFTH, 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.

SIXTH, that the seven-year denial period set forth above shall be active for a period of two years from the date of this Order. As authorized by Section 766.18(c) of the Regulations, the remaining five years of the denial period shall be suspended during a probationary period of five years under this Order, and shall thereafter be waived, provided that Gatewick has made full and timely payment as set forth above and has committed no other violation of the Act or the Regulations or any order, license or authorization issued thereunder. If Gatewick does not make full and timely payment as set forth above, or commits another violation of the Act or the Regulations or any order,

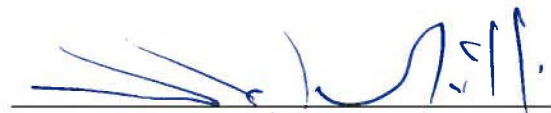
license or authorization issued thereunder during the seven-year denial period under this Order, the five-year suspended portion of this Order may be modified or revoked by BIS. If the suspension is modified or revoked, BIS may extend the active denial period up to seven years from the date of this Order if the failure to pay or other violation and the activation occur during the first two years from the date of this Order, or otherwise until up to five years from the date of the activation if the violation occurs or BIS discovers the violation more than two years from the date of this Order.

SEVENTH, Gatewick shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Charging Letter or this Order. The foregoing does not affect Gatewick'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.

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 Gatewick, 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 13th day of August, 2014.

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

In the Matter of:

Gatewick LLC
a/k/a Gatewick Freight & Cargo Services
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Dubai, United Arab Emirates

and

G#22 Dubai Airport Free Zone
P.O. Box 393754,
Dubai, United Arab Emirates

and

P.O. Box 52404
Dubai, United Arab Emirates

Respondent

14-BIS-002

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Gatewick LLC, a/k/a Gatewick Freight & Cargo Services, a/k/a Gatewick Aviation Services, of Dubai, United Arab Emirates (“Gatewick”), 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

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2014). The charged violations occurred in 2009. The Regulations governing the violations at issue are found in the 2009 version of the Code of Federal

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

WHEREAS, BIS has issued a Charging Letter to Gatewick that alleges that Gatewick committed three violations of the Regulations, specifically:

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

In or about February 2009, Gatewick LLC ("Gatewick") conspired and acted in concert with others, known and unknown, to bring about an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to bring about the export from the United States to Iran, via the United Arab Emirates ("UAE"), of approximately 2,300 computer motherboards, items subject to the Regulations³ and valued at approximately \$130,000, without the required U.S. Government authorization. Pursuant to Section 746.7 of the Regulations, no person may export or reexport an item subject to the EAR if such transaction is prohibited by the Iranian Transactions Regulations ("ITR"), and has not been authorized by the U.S. Department of the Treasury's Office of Foreign Assets Control ("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 by the ITR⁴ at all times pertinent hereto, including the exportation, reexportation, 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.

Regulations (15 C.F.R. Parts 730-774). The 2014 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).

³ The items are designated as EAR99, which is the designation for items subject to the Regulations but not included on the Commerce Control List. *See* 15 C.F.R. § 774.1 (2009).

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Gatewick is a freight and cargo services company in the UAE and at all times pertinent hereto the sole booking agent for air freight forwarding and cargo services for Mahan Airways, an Iranian airline. Gatewick entered into an agreement with Seyed Mousavi Trading, an Iranian trading company, in connection with the export of the items to Iran. Gatewick agreed to receive the goods ordered by Seyed Mousavi Trading from the United States using Mahan Airways' import code and to then ship the goods from the UAE to their destination in Iran. In furtherance of the conspiracy, Seyed Mousavi Trading, which identified itself to the U.S. reseller as a UAE company, ordered the 2,300 computer motherboards from the reseller for shipment to the UAE. The motherboards were actually destined for Seyed Mousavi Trading's customer in Iran. Pursuant to Seyed Mousavi Trading's instructions, the U.S. reseller shipped the motherboards, from the United States to Gatewick's location in the UAE. Consistent with the agreed-upon scheme, Gatewick received the items on February 8, 2009. Gatewick shipped the items the following day, February 9, 2009, from the UAE to Iran via Mahan Airways. No U.S. Government authorization was received for the export of the computer motherboards to Iran.

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

Charge 2 15 C.F.R. § 764.2(b)- Causing, Aiding or Abetting an Unlicensed Export

On or about February 8 and February 9, 2009, Gatewick caused, aided, or abetted a violation of the Regulations. Specifically, Gatewick facilitated the export from the United States to Iran, via the UAE, of approximately 2,300 computer motherboards, items subject to the Regulations⁵ and valued at approximately \$130,000, without the required U.S. Government authorization. Gatewick received the items in the UAE from the United States, and, upon receiving the items, Gatewick shipped them from the UAE to Iran.

Pursuant to Section 746.7 of the Regulations, no person may export or reexport an item subject to the EAR if such transaction is prohibited by the Iranian Transactions Regulations ("ITR"), and has not been authorized by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"). Under Section 560.204 of the ITR,⁶ the exportation, reexportation, sale or supply, directly or indirectly, from the United States of any goods to Iran was prohibited by the ITR at all times pertinent hereto, including the exportation, reexportation, sale or supply of items from the United States to

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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. No OFAC authorization was sought or obtained for the export of the computer motherboards to Iran.

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

Charge 3 15 C.F.R. § 764.2(k) - Acting Contrary to the Terms of a Denial Order

On or about February 8 and February 9, 2009, Gatewick took actions prohibited by a BIS denial order. Specifically, Gatewick took actions that, contrary to the terms of a BIS denial order, facilitated the acquisition by Mahan Airways, an Iranian airline and a denied person since March 21, 2008, of the ownership, possession or control of approximately 2,300 computer motherboards, items subject to the Regulations⁷ and valued at approximately \$130,000. The items were exported from the United States to Gatewick's location in the UAE. Gatewick used Mahan Airways import code to receive the items in the UAE and then shipped the items from the UAE to Iran via Mahan Airways.

Mahan Airways was named as a Denied Person in a temporary denial order ("TDO") issued by BIS effective on March 21, 2008, and was subsequently renewed by BIS and in force and effect at all pertinent times hereto.⁸ Under the TDO, all persons, including Gatewick, were prohibited from "taking any action that facilitates the acquisition or attempted acquisition by the Denied Person [Mahan Airways] of the ownership, possession, or control of any item subject to the EAR that has been or will be exported from the United States"

In acting contrary to the terms of a BIS denial order, as alleged above, Gatewick committed one violation of Section 764.2(k) of the Regulations.

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⁸ The initial TDO was issued by BIS on March 17, 2008, and effective upon publication in the Federal Register on March 21, 2008. 73 Fed. Reg. 15,130. The TDO was renewed for 180 days on September 17, 2008, by order effective upon issuance on that date. 73 Fed. Reg. 57,051 (Oct. 1, 2008). The TDO remains in effect today against Mahan Airways, having been renewed most recently on January 24, 2014. 79 Fed. Reg. 4,871 (Jan. 30, 2014).

WHEREAS, Gatewick has reviewed the Charging Letter⁹ 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, Gatewick 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, Gatewick enters into this Agreement voluntarily and with full knowledge of its rights, after having consulted with counsel;

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

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

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

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

a. Gatewick shall be assessed a civil penalty in the amount of

\$40,000. Gatewick shall pay the U.S. Department of Commerce in two

⁹ The citation dates in footnotes 1, 4, 6 and 8 of the Charging Letter have been updated, as applicable, from 2013 to 2014 for purposes of this Settlement Agreement.

installments of: \$20,000 not later than September 1, 2014; and \$20,000 not later than December 1, 2014. Payment shall be made in the manner specified in the attached instructions. If any of the installment payments is not fully and timely made, any remaining scheduled installment payments may become due and owing immediately.

b. For a period of seven (7) years from the date of the Order, Gatewick LLC, also known as Gatewick Freight & Cargo Services, also known as Gatewick Aviation Services, with last known addresses of Mohamad Abdulla Algaz Building, Al Maktoum Street, Al Rigga, Dubai, United Arab Emirates and G#22 Dubai Airport Free Zone, P.O. Box 393754, Dubai, United Arab Emirates and P.O. Box 52404, Dubai, United Arab Emirates, and when acting for or on its behalf, its successors, assigns, representatives, directors, officers, employees, or agents (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.

c. The seven-year denial period set forth in Paragraph 2.b shall be active for a period of two years from the date of the Order. As authorized by Section 766.18(c) of the Regulations, BIS agrees that the remaining five years of the denial period shall be suspended during a probationary period of five years under the Order, and shall thereafter be waived, provided that Gatewick has made full and timely payment in accordance with Paragraph 2.a above and has committed no other violation of the Act or the Regulations or any order, license or authorization issued thereunder. If Gatewick does not make full and timely payment in accordance with Paragraph 2.a above, or commits another violation of the Act or the Regulations or any order, license or authorization issued thereunder during the seven-year denial period under the Order, the five-year suspended portion of the Order may be modified or revoked by BIS. If the suspension is modified or revoked, BIS may extend the active denial period until up to seven years from the date of the Order if the failure to pay or other violation and the activation occur during the first two years from the date of the Order, or otherwise until up to five years from the date of the activation if the violation occurs or BIS discovers the violation more than two years from the date of the Order.

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

4. Gatewick shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Charging Letter or the Order. The foregoing does not affect Gatewick'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 Gatewick in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the 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(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.

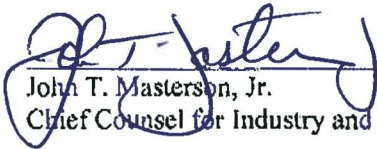
8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record. If the Assistant Secretary issues the Order and Gatewick has made full and timely payment in accordance with Paragraph 2.a above, BIS will withdraw case 14-BIS-002 from adjudication.

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


Gatewick LLC
Settlement Agreement
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10. Each signatory affirms that he/she has authority to enter into this Settlement Agreement and to bind his/her 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

GATEWICK LLC


Mahmoud Amini
Managing Director



Date: Aug. 11, 2014

Date: _____

Reviewed and approved by:



Hal Eren, Esq.
Eren Law Firm
Counsel for Gatewick LLC

Date: 7/22/14

JAN 31 2014



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

CHARGING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Gatewick LLC a/k/a Gatewick Freight & Cargo Services,
a/k/a/Gatewick Aviation Services
Mohamad Abdulla Algaz Building
Al Maktoum Street
Al Rigga
Dubai, United Arab Emirates

G#22 Dubai Airport Free Zone
P.O. Box 393754, Dubai, United Arab Emirates

P.O. Box 52404
Dubai, United Arab Emirates

Attn: Mahmoud Amini, Managing Director

Dear Mr. Amini:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Gatewick LLC, of Dubai, United Arab Emirates ("Gatewick"), has committed three 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 Gatewick committed the following violations:

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

In or about February 2009, Gatewick LLC ("Gatewick") conspired and acted in concert with others, known and unknown, to bring about an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to bring about the export from the United States to Iran, via the United Arab Emirates ("UAE"), of approximately 2,300 computer motherboards, items

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 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 (2009)). 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)), 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.* (2000)).



subject to the Regulations³ and valued at approximately \$130,000, without the required U.S. Government authorization. Pursuant to Section 746.7 of the Regulations, no person may export or reexport an item subject to the EAR if such transaction is prohibited by the Iranian Transactions Regulations (“ITR”), and has not been authorized by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“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 by the ITR⁴ at all times pertinent hereto, including the exportation, reexportation, 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.

Gatewick is a freight and cargo services company in the UAE and at all times pertinent hereto the sole booking agent for air freight forwarding and cargo services for Mahan Airways, an Iranian airline. Gatewick entered into an agreement with Seyed Mousavi Trading, an Iranian trading company, in connection with the export of the items to Iran. Gatewick agreed to receive the goods ordered by Seyed Mousavi Trading from the United States using Mahan Airways’ import code and to then ship the goods from the UAE to their destination in Iran. In furtherance of the conspiracy, Seyed Mousavi Trading, which identified itself to the U.S. reseller as a UAE company, ordered the 2,300 computer motherboards from the reseller for shipment to the UAE. The motherboards were actually destined for Seyed Mousavi Trading’s customer in Iran. Pursuant to Seyed Mousavi Trading’s instructions, the U.S. reseller shipped the motherboards, from the United States to Gatewick’s location in the UAE. Consistent with the agreed-upon scheme, Gatewick received the items on February 8, 2009. Gatewick shipped the items the following day, February 9, 2009, from the UAE to Iran via Mahan Airways. No U.S. Government authorization was received for the export of the computer motherboards to Iran.

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

Charge 2 15 C.F.R. § 764.2(b) – Causing, Aiding or Abetting an Unlicensed Export

On or about February 8 and February 9, 2009, Gatewick caused, aided, or abetted a violation of the Regulations. Specifically, Gatewick facilitated the export from the United States to Iran, via the UAE, of approximately 2,300 computer motherboards, items subject to the Regulations⁵ and valued at approximately \$130,000, without the required U.S. Government authorization.

³ The items are designated as EAR99, which is the designation for items subject to the Regulations but not included on the Commerce Control List. *See* 15 C.F.R. § 774.1 (2009).

⁴ 31 C.F.R. Part 560 (2009). Administered by the Treasury Department’s Office of Foreign Assets Control (“OFAC”), the ITR were renamed the Iranian Transactions and Sanctions Regulations (“ITSR”) and reissued in their entirety by OFAC on October 22, 2012. *See* 77 Fed. Reg. 64,664 (Oct. 22, 2012). Section 560.204 remains unchanged in pertinent part. *See* 31 C.F.R. § 560.204 (2009 and 2013).

⁵ The items are designated as EAR99, which is the designation for items subject to the Regulations but not included on the Commerce Control List. *See* 15 C.F.R. § 774.1 (2009).

Gatewick received the items in the UAE from the United States, and, upon receiving the items, Gatewick shipped them from the UAE to Iran.

Pursuant to Section 746.7 of the Regulations, no person may export or reexport an item subject to the EAR if such transaction is prohibited by the Iranian Transactions Regulations (“ITR”), and has not been authorized by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”). Under Section 560.204 of the ITR,⁶ the exportation, reexportation, sale or supply, directly or indirectly, from the United States of any goods to Iran was prohibited by the ITR at all times pertinent hereto, including the exportation, reexportation, 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. No OFAC authorization was sought or obtained for the export of the computer motherboards to Iran.

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

Charge 3 15 C.F.R. § 764.2(k) – Acting Contrary to the Terms of a Denial Order

On or about February 8 and February 9, 2009, Gatewick took actions prohibited by a BIS denial order. Specifically, Gatewick took actions that, contrary to the terms of a BIS denial order, facilitated the acquisition by Mahan Airways, an Iranian airline and a denied person since March 21, 2008, of the ownership, possession or control of approximately 2,300 computer motherboards, items subject to the Regulations⁷ and valued at approximately \$130,000. The items were exported from the United States to Gatewick’s location in the UAE. Gatewick used Mahan Airways import code to receive the items in the UAE and then shipped the items from the UAE to Iran via Mahan Airways.

Mahan Airways was named as a Denied Person in a temporary denial order (“TDO”) issued by BIS effective on March 21, 2008, and was subsequently renewed by BIS and in force and effect at all pertinent times hereto.⁸ Under the TDO, all persons, including Gatewick, were prohibited from “taking any action that facilitates the acquisition or attempted acquisition by the Denied

⁶ 31 C.F.R. Part 560 (2009). Administered by the Treasury Department’s Office of Foreign Assets Control (“OFAC”), the ITR were renamed the Iranian Transactions and Sanctions Regulations (“ITSR”) and reissued in their entirety by OFAC on October 22, 2012. *See* 77 Fed. Reg. 64,664 (Oct. 22, 2012). Section 560.204 remains unchanged in pertinent part. *See* 31 C.F.R. § 560.204 (2009 and 2013).

⁷ The items are designated as EAR99, which is the designation for items subject to the Regulations but not included on the Commerce Control List. *See* 15 C.F.R. § 774.1 (2009).

⁸ The initial TDO was issued by BIS on March 17, 2008, and effective upon publication in the Federal Register on March 21, 2008. 73 Fed. Reg. 15,130. The TDO was renewed for 180 days on September 17, 2008, by order effective upon issuance on that date. 73 Fed. Reg. 57,051 (Oct. 1, 2008). The TDO remains in effect today against Mahan Airways, having been renewed most recently on July 31, 2013. 78 Fed. Reg. 48,138 (Aug. 7, 2013).

Person [Mahan Airways] of the ownership, possession, or control of any item subject to the EAR that has been or will be exported from the United States. . . .”

In acting contrary to the terms of a BIS denial order, as alleged above, Gatewick committed one violation of Section 764.2(k) of the Regulations.

* * * * *

Accordingly, Gatewick 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;⁹
- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

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

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

Gatewick is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Gatewick 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/>.

⁹ International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Gatewick'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 Gatewick'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

Eric Clark is the attorney representing BIS in this case; any communications that Gatewick 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