

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

\_\_\_\_\_  
In the Matter of: )  
 )  
PRC Laser Corporation )  
350 North Frontage Road )  
Landing, NJ 07850 )  
 )  
 )  
Respondent )  
\_\_\_\_\_

ORDER RELATING TO PRC LASER CORPORATION

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified PRC Laser Corporation (“PRC Laser”) of its intention to initiate an administrative proceeding against PRC Laser pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),<sup>2</sup> through the issuance of a Proposed Charging Letter to PRC Laser that alleged that it committed one violation of the Regulations. Specifically, this charge is:

**Charge 1      15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation**

On or about January 20, 2010, PRC Laser sold and/or transported an industrial laser, an item subject to the Regulations<sup>3</sup> and the Iranian Transactions Regulations (“ITR”),<sup>4</sup> and valued at

<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violation occurred in 2010. The Regulations governing the violation at issue are found in the 2010 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2010)). The 2011 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 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 12, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

<sup>3</sup> The item was 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) (2010).

<sup>4</sup> 31 C.F.R. Part 560 (2010).

approximately \$32,000, that was exported or was to be exported from the United States to Iran via the United Arab Emirates ("UAE"), with knowledge that a violation of the Regulations was occurring or was about to occur. Pursuant to Section 746.7 of the Regulations, no person may engage in the export or reexport of an item subject to both the Regulations and the ITR, without authorization from the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), which administers the comprehensive U.S. embargo against Iran. 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 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 are intended for supply, transshipment, or reexportation, directly or indirectly, to Iran.

No U.S. Government authorization was sought or obtained for this transaction even though PRC Laser knew or had reason to know that the industrial laser was intended for supply, transshipment or reexportation to Iran. PRC Laser knew that Impex Intercontinental Trading, LLC ("Impex") was not the ultimate consignee or end-user of the item, and knew or should have known that Impex had offices in Tehran Iran, as well as in Dubai, UAE. In addition to its location in Tehran, Iran, Impex's promotional material and website stated that Impex was a "special agent" for the Islamic Republic of Iran Shipping Lines ("IRISL"). IRISL is an Iranian entity that is listed on the Specially Designated Nationals List that is maintained by OFAC pursuant to Executive Order 13382 and includes parties determined to be weapons of mass destruction proliferators or their supporters.<sup>5</sup> PRC Laser requested the name and address of the laser's ultimate end-user from the agent brokering the sale, Mahad Mofrad ("Mofrad"), on three occasions, and at one point informed Mofrad that it needed the end-user information because it could not list a trading company such as Impex on export documents as the end-user for the item. However, PRC Laser failed to obtain the end-user information and nonetheless proceeded with the transaction, providing the freight forwarder with transaction documents, which listed Impex as the consignee for the laser, that were used by the forwarder to prepare the Shipper's Export Declaration. Moreover, PRC Laser proceeded with the sale and transport of the item even though it was paid for the laser via a wire transfer from Tehrani Exchange, which it knew or should have known was headquartered in Tehran, Iran. After PRC Laser shipped the item to Impex's Dubai location, it was transshipped to Iran. In so doing, PRC Laser committed one violation of Section 764.2(e) of the Regulations.

WHEREAS, BIS and PRC Laser 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;

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<sup>5</sup> See Appendix A to 31 C.F.R. Chapter V.

**IT IS THEREFORE ORDERED:**

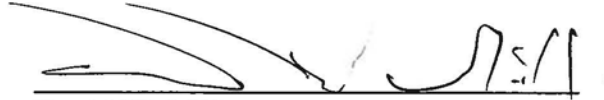
FIRST, PRC Laser shall be assessed a civil penalty in the amount of \$42,000. PRC Laser shall pay \$14,000 to the U.S. Department of Commerce within 30 days of the date of this Order. Thereafter, PRC Laser shall pay \$14,000 to the U.S. Department of Commerce not later than June 4, 2012; and \$14,000 not later than September 4, 2012. 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 shall 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, PRC Laser 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 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 PRC Laser. Accordingly, if PRC Laser should fail to fully or timely pay any of the civil penalty installment payments set forth above, the undersigned may issue an Order denying all of PRC Laser's export privileges under the Regulations for a period of one year from the due date of the installment payment.

FOURTH, 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 black ink, appearing to read 'D. W. Mills', is written over a horizontal line.

David W. Mills  
Assistant Secretary of Commerce  
for Export Enforcement

Issued this 14th day of February, 2012.

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

|                         |   |
|-------------------------|---|
| In the Matter of:       | ) |
|                         | ) |
| PRC Laser Corporation   | ) |
| 350 North Frontage Road | ) |
| Landing, NJ 07850       | ) |
|                         | ) |
|                         | ) |
| Respondent              | ) |

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between PRC Laser Corporation (“PRC Laser”) 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”),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (the “Act”).<sup>2</sup>

WHEREAS, BIS has notified PRC Laser of its intention to initiate an administrative proceeding against it, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Proposed Charging Letter to PRC Laser that alleged that PRC Laser committed one violation of the Regulations, specifically:

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violation occurred in 2010. The Regulations governing the violation at issue are found in the 2010 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2010)). The 2011 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 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 12, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

**Charge 1      15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation**

On or about January 20, 2010, PRC Laser sold and/or transported an industrial laser, an item subject to the Regulations<sup>3</sup> and the Iranian Transactions Regulations (“ITR”),<sup>4</sup> and valued at approximately \$32,000, that was exported or was to be exported from the United States to Iran via the United Arab Emirates (“UAE”), with knowledge that a violation of the Regulations was occurring or was about to occur. Pursuant to Section 746.7 of the Regulations, no person may engage in the export or reexport of an item subject to both the Regulations and the ITR, without authorization from the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), which administers the comprehensive U.S. embargo against Iran. 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 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 are intended for supply, transshipment, or reexportation, directly or indirectly, to Iran.

No U.S. Government authorization was sought or obtained for this transaction even though PRC Laser knew or had reason to know that the industrial laser was intended for supply, transshipment or reexportation to Iran. PRC Laser knew that Impex Intercontinental Trading, LLC (“Impex”) was not the ultimate consignee or end-user of the item, and knew or should have known that Impex had offices in Tehran Iran, as well as in Dubai, UAE. In addition to its location in Tehran, Iran, Impex’s promotional material and website stated that Impex was a “special agent” for the Islamic Republic of Iran Shipping Lines (“IRISL”). IRISL is an Iranian entity that is listed on the Specially Designated Nationals List that is maintained by OFAC pursuant to Executive Order 13382 and includes parties determined to be weapons of mass destruction proliferators or their supporters.<sup>5</sup> PRC Laser requested the name and address of the laser’s ultimate end-user from the agent brokering the sale, Mahad Mofrad (“Mofrad”), on three occasions, and at one point informed Mofrad that it needed the end-user information because it could not list a trading company such as Impex on export documents as the end-user for the item. However, PRC Laser failed to obtain the end-user information and nonetheless proceeded with the transaction, providing the freight forwarder with transaction documents, which listed Impex as the consignee for the laser, that were used by the forwarder to prepare the Shipper’s Export Declaration. Moreover, PRC Laser proceeded with the sale and transport of the item even though it was paid for the laser via a wire transfer from Tehrani Exchange, which it knew or should have known was headquartered

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<sup>3</sup> The item was 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) (2010).

<sup>4</sup> 31 C.F.R. Part 560 (2010).

<sup>5</sup> See Appendix A to 31 C.F.R. Chapter V.

in Tehran, Iran. After PRC Laser shipped the item to Impex's Dubai location, it was transshipped to Iran. In so doing, PRC Laser committed one violation of Section 764.2(e) of the Regulations.

WHEREAS, PRC Laser has reviewed the Proposed Charging Letter and is aware of the allegation made against it and the administrative sanctions which could be imposed against it if the allegation is found to be true;

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

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

WHEREAS, PRC Laser neither admits nor denies the allegation contained in the Proposed Charging Letter;

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

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

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

a. PRC Laser shall be assessed a civil penalty in the amount of \$42,000. PRC Laser shall pay \$14,000 to the U.S. Department of Commerce within 30 days of the date of the Order. Thereafter, PRC Laser shall pay \$14,000 to the U.S. Department of Commerce not later than June 4, 2012; and \$14,000 not later than September 4, 2012. 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 shall become due and owing immediately.

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, permission, or privilege granted, or to be granted, to PRC Laser. Failure to make full and timely payment of any of the civil penalty installment payments set forth in paragraph 2.a may result in the denial of all of PRC Laser's export privileges for a period of one year from the due date of the installment payment.

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

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

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

6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(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. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind it respective party to the terms and conditions set forth herein.

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



Douglas Hassebrock  
Director  
Office of Export Enforcement

Date: 2/8, 2012

  
James Rickert  
President  
PRC Laser Corporation

Date: 1/31, 2012

PROPOSED CHARGING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

PRC Laser Corporation  
350 North Frontage Road  
Landing, NJ 07850

Attn: James Rickert  
*President*

Dear Mr. Rickert:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that PRC Laser Corporation, of Landing, New Jersey ("PRC Laser"), has committed one violation of the Export Administration Regulations (the "Regulations"),<sup>1</sup> which issued under the authority of the Export Administration Act of 1979, as amended (the "Act").<sup>2</sup> Specifically, BIS charges that PRC Laser committed the following violation:

**Charge 1      15 C.F.R. § 764.2(e) – Acting with Knowledge of a Violation**

On or about January 20, 2010, PRC Laser sold and/or transported an industrial laser, an item subject to the Regulations<sup>3</sup> and the Iranian Transactions Regulations ("ITR"),<sup>4</sup> and valued at approximately \$32,000, that was exported or was to be exported from the United States to Iran via the United Arab Emirates ("UAE"), with knowledge that a violation of the Regulations was occurring or was about to occur. Pursuant to Section 746.7 of the Regulations, no person may engage in the export or reexport of an item subject to both the Regulations and the ITR, without authorization from the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), which administers the comprehensive U.S. embargo against Iran. Under Section 560.204 of the ITR, the exportation, reexportation, sale or supply, directly or indirectly, from the

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violation occurred in 2010. The Regulations governing the violation at issue are found in the 2010 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2010)). The 2011 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 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 12, 2010 (75 Fed. Reg. 50,681 (Aug. 16, 2010)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*).

<sup>3</sup> The item was 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) (2010).

<sup>4</sup> 31 C.F.R. Part 560 (2010).

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 are intended for supply, transshipment, or reexportation, directly or indirectly, to Iran.

No U.S. Government authorization was sought or obtained for this transaction even though PRC Laser knew or had reason to know that the industrial laser was intended for supply, transshipment or reexportation to Iran. PRC Laser knew that Impex Intercontinental Trading, LLC ("Impex") was not the ultimate consignee or end-user of the item, and knew or should have known that Impex had offices in Tehran Iran, as well as in Dubai, UAE. In addition to its location in Tehran, Iran, Impex's promotional material and website stated that Impex was a "special agent" for the Islamic Republic of Iran Shipping Lines ("IRISL"). IRISL is an Iranian entity that is listed on the Specially Designated Nationals List that is maintained by OFAC pursuant to Executive Order 13382 and includes parties determined to be weapons of mass destruction proliferators or their supporters.<sup>5</sup> PRC Laser requested the name and address of the laser's ultimate end-user from the agent brokering the sale, Mahad Mofrad ("Mofrad"), on three occasions, and at one point informed Mofrad that it needed the end-user information because it could not list a trading company such as Impex on export documents as the end-user for the item. However, PRC Laser failed to obtain the end-user information and nonetheless proceeded with the transaction, providing the freight forwarder with transaction documents, which listed Impex as the consignee for the laser, that were used by the forwarder to prepare the Shipper's Export Declaration. Moreover, PRC Laser proceeded with the sale and transport of the item even though it was paid for the laser via a wire transfer from Tehrani Exchange, which it knew or should have known was headquartered in Tehran, Iran. After PRC Laser shipped the item to Impex's Dubai location, it was transshipped to Iran. In so doing, PRC Laser committed one violation of Section 764.2(e) of the Regulations.

\* \* \* \* \*

Accordingly, PRC Laser 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;<sup>6</sup>
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

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<sup>5</sup> See Appendix A to 31 C.F.R. Chapter V.

<sup>6</sup> See International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

If PRC Laser 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 (2011). If PRC Laser defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to PRC Laser. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

PRC Laser 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 (2011). PRC Laser 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 (2011).

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18 (2011). Should PRC Laser have a proposal to settle this case, PRC Laser 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, PRC Laser'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 PRC Laser'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 attorneys representing BIS in this case; any communications that PRC Laser 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