



Hans Wrage & Co. GmbH
Rosenstrasse 7
20095 Hamburg
Germany

Attention: Frauke Löhmann
Director

Dear Ms. Löhmann:

The Bureau of Industry and Security, United States Department of Commerce (“BIS”), has reason to believe that Hans Wrage & Co. GmbH (“Wrage”) violated the Export Administration Regulations (the “Regulations”),¹ which are issued under the authority of the Export Administration Act of 1979 (the “Act”),² on three occasions. Specifically, BIS charges that Wrage committed the following violations:

Charge 1 (§764.2(a) Engaging in Prohibited Conduct-Reexportation without Authorization)

On or about October 30, 1996, Wrage reexported from Germany to Poland, 300 shotguns with a barrel length of at least 18 inches but less than 24 inches, which had been exported from the United States and which were subject to the Export Administration Regulations, without first

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2002). The violations charged occurred from 1996 through 1998. The Regulations governing the violations at issue are found in the 1996 through 1998 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1996), as amended (61 *Fed. Reg.* 12714, March 25, 1996)), and 15 C.F.R. Parts 730-774 (1997-1998)). The March 25, 1996 *Federal Register* publication redesignated, but did not republish, the then-existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, the March 25, 1996 *Federal Register* publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996.

² 50 U.S.C. app. §§ 2401-2420 (1994 & Supp. IV 1998), as reauthorized by Act of November 13, 2000, Pub. L. No. 106-508, 114 Stat. 2360. The Act expired on August 20, 1993. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (1994 & Supp. IV 1998)) until the Act was reauthorized on November 13, 2000 by Pub. L. No. 106-508. The Act remained in effect until August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (66 *Fed. Reg.* 44025 (August 22, 2001)), has continued the Regulations in effect under IEEPA. The Act and Regulations are available on the Government Printing Office Web site at: <http://w3.access.gpo.gov/BIS/>.



obtaining a license from the Bureau of Industry and Security as required by §742.7(a) of the Regulations. In so doing, Wrage violated Section 764.2(a) of the Regulations.

Charge 2 (§764.2(a) Engaging in Prohibited Conduct-Reexportation without Authorization)

On or about September 30, 1997, Wrage reexported from Germany to Poland, 1000 shotguns with a barrel length of at least 18 inches but less than 24 inches, which had been exported from the United States and which were subject to the Export Administration Regulations, without first obtaining a license from the Bureau of Industry and Security as required by §742.7(a) of the Regulations. In so doing, Wrage violated Section 764.2(a) of the Regulations.

Charge 3 (§764.2(a) Engaging in Prohibited Conduct-Reexportation without Authorization)

On or about September 9, 1998, Wrage reexported from Germany to Poland, 250 shotguns with a barrel length of at least 18 inches but less than 24 inches, which had been exported from the United States and which were subject to the Export Administration Regulations, without first obtaining a license from the Bureau of Industry and Security as required by §742.7(a) of the Regulations. In so doing, Wrage violated Section 764.2(a) of the Regulations.

A civil penalty of up to \$11,000 for each violation³;

A denial of export privileges; and

Exclusion from practice before BIS.

If Wrage 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. (Regulations, Sections 766.6 and 766.7). If Wrage defaults, the Administrative Law Judge may find the charges alleged in this letter are true without hearing or further notice to Wrage. The Under Secretary for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

Wrage is further notified that it is entitled to an agency hearing on the record if Wrage files a written demand for one with its answer. (Regulations, Section 766.6). Wrage is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (Regulations, Sections 766.3(a) and 766.4).

³ Pursuant to the Federal Civil Penalties Adjustment Act of 1990, (28 U.S.C. 2461, note (1994 & Supp. V 1999)) and 15 C.F.R. § 6.4(a)(2), the maximum penalty for each violation committed after October 23, 1996 and before November 1, 2000 is \$11,000.

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should you have a proposal to settle this case, you or your representative should transmit it to me through the attorney representing BIS named below.

The U.S. Coast Guard provides administrative law judge services in connection with the matters set forth in this letter. Accordingly, Wrage's answer should be filed pursuant to 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

A copy of Wrage's answer must be served on BIS at:

Chief Counsel for Industry and Security
Attention: Anstruther Davidson
Room H-3839
U.S. Department of Commerce
14th and Constitution Avenue, N.W.
Washington, D.C. 20230

Anstruther Davidson is the attorney representing the Bureau of Industry and Security on this case. He may be contacted by telephone at (202) 482-5301.

Sincerely,

Mark D. Menefee
Director
Office of Export Enforcement

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

In the Matter of:)
Hans Wrage & Co. GmbH)
Rosenstrasse 7)
20095 Hamburg)
Germany,)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Hans Wrage & Co. GmbH (“Wrage”) and the Bureau of Industry and Security, United States Department of Commerce (“BIS”), pursuant to Section 766.18(a) of the Export Administration Regulations (15 C.F.R. Parts 730-774 (2002)) (“Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1994 & Supp. V 1999)) (“Act”): and which

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2002). The violations charged occurred from 1996 through 1998. The Regulations governing the violations at issue are found in the 1996 through 1998 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1996), as amended (61 *Fed. Reg.* 12714, March 25, 1996)), and 15 C.F.R. Parts 730-774 (1997-1998)). The March 25, 1996 *Federal Register* publication redesignated, but did not republish, the then-existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, the March 25, 1996 *Federal Register* publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996.

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was issued on August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (1994 & Supp. V 1999)) (IEEPA). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (66 *Fed. Reg.* 44025 (August 22, 2001)), has continued the Regulations in effect under IEEPA.

are currently maintained in force under the International Emergency Economic Powers Act (50 U.S.C. §91701 - 1706 (1994 & supp. v 1999)).

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

WHEREAS, BIS has issued a proposed charging letter to Wrage that alleged that Wrage committed three (3) violations of the Regulations; specifically, that it violated Section 764.2(a) of the Regulations by reexporting U.S. origin shotguns from Germany to Poland on three (3) occasions without the required authorization from BIS;

WHEREAS, Wrage has reviewed the proposed charging letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true;

WHEREAS, Wrage fully understands the terms of this Agreement and the Order that will be issued to give effect to this Settlement Agreement (“Order”);

WHEREAS, Wrage enters into this Agreement voluntarily and with full knowledge of its rights;

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

WHEREAS, Wrage neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, Wrage wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, Wrage agrees to be bound by the Order, when entered;

NOW THEREFORE, Wrage and BIS agree as follows:

1. BIS has jurisdiction over Wrage, under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. BIS and Wrage agree that the following sanction shall be imposed against Wrage in complete settlement of the alleged violations of the Regulations set forth in the proposed charging letter:
 - (a) Wrage shall be assessed a civil penalty in the amount of \$30,000.
 - (b) The timely payment of the civil penalty agreed to in paragraph 2.a. of this agreement 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 Wrage. Failure to make timely payment of the civil penalty set forth above shall result in the denial of all of Wrage's export privileges for a period of one (1) year from the date of entry of the Order.
3. Wrage agrees that, subject to the approval of this Agreement pursuant to paragraph 8 hereof, it hereby waives all rights to further procedures in this matter (except with respect to any alleged violations of this Agreement or the Order, when entered), including, without limitation, any right to:
 - (a) an administrative hearing regarding the allegations in the proposed charging letter;

- (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, when entered; and
- (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, when entered.

4. BIS agrees that, upon entry of the Order, it will not initiate any administrative proceeding against Wrage in connection with any violation of the Act or the Regulations arising out the transactions identified in the proposed charging letter. BIS additionally agrees that it will withdraw the pending charging letter against Wrage in case number OI-BXA-13 from adjudication by the administrative law judge.

5. Wrage understands that BIS will make the proposed charging letter, this Agreement, and the Order, when entered, available to the public.

6. BIS and Wrage agree that 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, BIS and Wrage agree that they may not use this Agreement in any administrative or judicial proceeding and that the parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

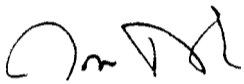
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, when entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by

any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on BIS only when the Assistant Secretary of Commerce for Export Enforcement approves it by entering 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 his or her respective party to the terms and conditions set forth herein

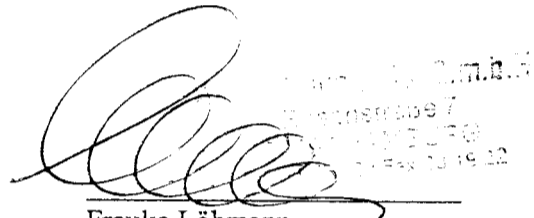
BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE



Jon A. Dyck
Chief Counsel
for Industry and Security

Date: 8/14/02

HANS WRAGE & CO. GMBH



Frauke Löhmann
Director

Date: JULY 24, 2002

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

In the Matter of)
)
Hans Wrage & Co. GmbH)
Rosenstrasse 7)
20095 Hamburg)
Germany,)
)

Respondent) .

ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”), having notified Hans Wrage & Co. GmbH (“Wrage”), of its intention to initiate an administrative proceeding against it pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1994 & Supp. V 1999)) (“Act”),¹ and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2002)) (“Regulations”),² based on allegations in a proposed charging letter issued to Wrage that alleged

¹ From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was issued on August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations then in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (1994 & Supp. V 1999)) (IEEPA). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (66 *Fed. Reg.* 44025 (August 22, 2001)), has continued the Regulations in effect under IEEPA.

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2002). The violations charged occurred from 1996 through 1998. The Regulations governing the violations at issue are found in the 1996 through 1998 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1996), as amended (61 *Fed. Reg.* 12714, March 25, 1996)), and 15 C.F.R. Parts 730-774 (1997-1998)). The March 25, 1996 *Federal Register* publication redesignated, but did not republish, the then-existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, the March 25, 1996 *Federal Register* publication restructured and

that Wrage committed three violations of the Regulations. Specifically, the charges are that Wrage violated Section 764.2(a) of the Regulations by reexporting U.S. origin shotguns from Germany to Poland on three occasions without the required authorization from BIS.

BIS and Wrage having 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 the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$30,000 is assessed against Wrage which shall be paid to the U.S. Department of Commerce within thirty days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§3701-3720E (1983 and Supp. 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, Wrage 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 timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license

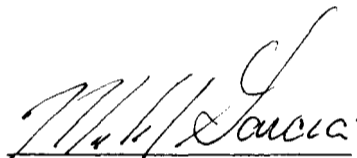
reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996.

exception, permission, or privilege granted, or to be granted, to Wrage. Accordingly, if Wrage should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Wrage's export privileges for a period of one year from the date of entry of this Order.

FOURTH, that the proposed charging letter, the Settlement Agreement, and this Order shall be made available to the public.

FIFTH, that a copy of this Order shall be delivered to the United States Coast Guard ALJ Docketing Center, 40 Gay Street, Baltimore, Maryland 21202-4022, notifying that office that case number 01 -BXA- 13 naming Wrage as a respondent is withdrawn from adjudication, as provided by Section 766.18(b) of the Regulations.

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



Michael J. Garcia
Assistant Secretary of Commerce
for Export Enforcement

Entered this 29th day of August 2016.