



UNITED STATES DEPARTMENT OF COMMERCE  
Bureau of Export Administration  
Washington, D.C. 20230

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Quest Technologies, Inc.  
1060 Corporate Center Drive  
Oconomowoc, WI 53066

Attn: *Daniel Webster, Jr.*  
*President and Chief Executive Officer*

Dear Mr. Webster:

The Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described in detail below, Quest Technologies, Inc. (Quest) has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2000)) (the Regulations),<sup>1</sup> issued under the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1991 & Supp. 2000) and Pub. L. No. 106-508) (the Act).<sup>2</sup>

Facts constituting violations:

Charges 1- 45

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, BXA alleges that on 45 separate occasions from on or about January 30, 1997 through on or about March 2, 2000, Quest exported from the United States chlorine and sulphur dioxide gas sensors, items subject to the Regulations, to Vietnam, Taiwan, India, the United Arab Emirates, Egypt, and Saudi Arabia, without obtaining Department of Commerce licenses as required by Section 742.2 of the Regulations. BXA alleges that by exporting the chlorine and sulphur dioxide gas sensors to any person or to any destination in violation of or contrary to the provisions of the Act or any regulation, order or license issued thereunder, Quest committed 45 violations of Section 764.2(a) of the Regulations.

Accordingly, Quest 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:

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<sup>1</sup> The violations at issue occurred from 1997 through 2000. The Regulations governing the violations at issue are found in the 1997 through 2000 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1997-2000)) and they are substantially the same as the 2000 version of the Regulations which govern the procedural aspects of this case.

<sup>2</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 Fed. Reg. 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)) until November 13, 2000 when the Act was reauthorized. See Pub. L. No. 106-508.



Quest Technologies, Inc.  
Charging Letter  
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The maximum civil penalty allowed by law is \$11 .000 per violation (see Section 764.3(a)(1) of the Regulations);<sup>3</sup>

Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or

Exclusion from practice before BXA (see Section 764.3(a)(3) of the Regulations).

Copies of relevant Parts of the Regulations are enclosed.

If Quest fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter as provided in Section 766.6 of the Regulations, that failure will be treated as a default under Section 766.7 of the Regulations.

Quest is further notified that it is entitled to an agency hearing on the record as provided by Section 13(c) of the Act and Section 766.6 of the Regulations, if a written demand for one is filed with its answer. Further, Quest may be represented by counsel and may seek a consent settlement. See Section 766.4 of the Regulations.

Pursuant to an Interagency Agreement between BXA and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Accordingly, Quest's answer should be filed with the U.S. Coast Guard ALJ Docketing Center, 40 S. Gay Street, Baltimore, Maryland 21202-4022, in accordance with the instructions in Section 766.5(a) of the Regulations. In addition, a copy of Quest's answer should be served on BXA at the address set forth in Section 766.5(b), adding "ATTENTION: Melissa B. Mannino, Esq." below the address. Ms. Mannino may be contacted by telephone at (202) 482-5304.

Sincerely,

Mark D. Menefee  
Director  
Office of Export Enforcement

Enclosure

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<sup>3</sup> The maximum civil penalty for any violation committed after October 23, 1996 and prior to November 1, 2000 is \$11,000 per violation. See 15 C.F.R. § 6.4(a)(3) (2000).

**Schedule A**  
**QUEST TECHNOLOGIES, INC.**  
**SCHEDULE OF VIOLATIONS**

<i>Export No.</i>	<i>Date of Export</i>	<i>Commodity &amp; (Quantity)</i>	<i>Quest Invoice #</i>	<i>Destination</i>	<i>Violations</i>
1	01-30-97	Sensor-SO2 (3) Sensor-CL2 (1)	68778	Vietnam	15 CFR 764.2(a)
2	06-09-97	Sensor-CL (2)	72643	Taiwan	15 CFR 764.2(a)
3	06-24-97	Sensor-SO2 (1)	73105	Vietnam	15 CFR 764.2(a)
4	11-03-97	Sensor-CL2 (1) Sensor-SO2 (2)	76865	Vietnam	15 CFR 764.2(a)
5	12-03-97	Sensor-SO2 (1) Sensor-CL2 (1)	77747	Vietnam	15 CFR 764.2(a)
6	12-12-97	Sensor-SO2 (1)	78202	U.A.E.	15 CFR 764.2(a)
7	12-23-97	Sensor-CL2 (1)	78436	Vietnam	15 CFR 764.2(a)
8	01-30-98	Sensor-SO2 (2) Sensor-CL2 (1)	79396	Vietnam	15 CFR 764.2(a)
9	02-18-98	Sensor-CL2 (1)	79894	Taiwan	15 CFR 764.2(a)
10	02-23-98	Sensor-SO2 (6)	80162	Egypt	15 CFR 764.2(a)
11	04-29-98	Sensor-SO2 (1)	82345 81609	India	15 CFR 764.2(a)

## SCHEDULE OF VIOLATIONS

12	07-23-98	Sensor-SO2 (2) Sensor-CL2 (2)	83508 85138	Vietnam	15 CFR 764.2(a)
13	07-24-98	Sensor-SO2 (4) Sensor-CL2 (4)	85235 85236	Vietnam	15 CFR 764.2(a)
14	09-28-98	Sensor-SO2 (2) Sensor-CL2 (1)	87346	Vietnam	15 CFR 764.2(a)
15	10-16-98	Sensor-SO2 (2)	87770	Egypt	15 CFR 764.2(a)
16	10-16-98	Sensor-SO2 (1)	87771	Vietnam	15 CFR 764.2(a)
17	10-30-98	Sensor-SO2 (3)	88119	Vietnam	15 CFR 764.2(a)
18	11-06-98	Sensor-SO2 (1) Sensor-CL2 (1)	88352	Vietnam	15 CFR 764.2(a)
19	11-18-98	Sensor-SO2 (1)	88909	Vietnam	15 CFR 764.2(a)
20	11-23-98	Sensor-SO2 (1) Sensor-CL2 (1)	89025	Vietnam	15 CFR 764.2(a)
21	01-21-99	Sensor-SO2 (1) Sensor-CL2 (1)	90626	Vietnam	15 CFR 764.2(a)
22	03-09-99	Sensor-SO2 (2)	92122	Egypt	15 CFR 764.2(a)
23	03-12-99	Sensor-CL2 (1)	92228	Taiwan	15 CFR 764.2(a)
24	03-19-99	Sensor-SO2 (1)	92572	Egypt	15 CFR 764.2(a)

## SCHEDULE OF VIOLATIONS

25	04-06-99	Sensor-SO2 (1) Sensor-CL2 (1)	93050	Vietnam	15 CFR 764.2(a)
26	04-07-99	Sensor-SO2 (1)	93092	Saudi Arabia	15 CFR 764.2(a)
27	05-07-99	Sensor-SO2 (1)	94183	Saudi Arabia	15 CFR 764.2(a)
28	05-21-99	Sensor-CL2 (2)	94801	Egypt	15 CFR 764.2(a)
29	06-02-99	Sensor-SO2 (1)	95083	U.A.E.	15 CFR 764.2(a)
30	06-23-99	Sensor-SO2 (1)	95587	India	15 CFR 764.2(a)
31	07-16-99	Sensor-SO2 (1)	96403	Taiwan	15 CFR 764.2(a)
32	07-29-99	Sensor-SO2 (1)	96909	Vietnam	15 CFR 764.2(a)
33	09-15-99	Sensor-SO2 (2)	98245	Vietnam	15 CFR 764.2(a)
34	09-16-99	Sensor-CL2 (1)	98199	Taiwan	15 CFR 764.2(a)
35	09-23-99	Sensor-SO2 (2) Sensor-CL2 (4)	98540	Saudi Arabia	15 CFR 764.2(a)
36	09-23-99	Sensor-SO2 (1)	98560	Vietnam	15 CFR 764.2(a)
37	10-28-99	Sensor-CL2 (1) Sensor-SO2 (1)	99622	Vietnam	15 CFR 764.2(a)

Inc.

## SCHEDULE OF VIOLATIONS

38	11-03-99	Sensor-SO2 (1) Sensor-CL2 (1)	99816	Vietnam	15 CFR 764.2(a)
39	11-24-99	Sensor-SO2 (1)	100471	Vietnam	15 CFR 764.2(a)
40	12-14-99	Sensor-CL2 (1)	101117	U.A.E.	15 CFR 764.2(a)
41	01-11-00	Sensor-SO2 (1) Sensor-CL2 (1)	101833	Egypt	15 CFR 764.2(a)
42	01-27-00	Sensor-SO2 (1) Sensor-CL2 (1)	101895	India	15 CFR 764.2(a)
43	01-31-00	Sensor-SO2 (2)	102170	Egypt	15 CFR 764.2(a)
44	02-05-00	Sensor-SO2 (1) Sensor-CL2 (1)	102701	Vietnam	15 CFR 764.2(a)
45	03-02-00	Sensor-SO2 (1)	103746	India	15 CFR 764.2(a)

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF EXPORT ADMINISTRATION  
WASHINGTON, D.C. 20230

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In the Matter of: )  
 )  
QUEST TECHNOLOGIES, INC. )  
1060 Corporate Drive )  
Oconomowoc, WI 53066, )  
 )  
Respondent )

SETTLEMENT AGREEMENT

This Agreement is made by and between Quest Technologies, Inc. (Quest) and the Bureau of Export Administration, United States Department of Commerce, pursuant to Section 766.18(a) of the Export Administration Regulations (1.5 C.F.R. Parts 730-774 (2000)) (the Regulations),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1991 & Supp. 2000)) (Act).<sup>2</sup>

WHEREAS, the Bureau of Export Administration (BXA), has notified Quest of its intention to initiate an administrative proceeding against Quest pursuant to the Act and the Regulations, based on allegations that on 45 separate occasions between on or about January 30,

<sup>1</sup> The violations at issue occurred from 1997 through 2000. The Regulations governing the violations at issue are found in the 1997 through 2000 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1997-2000)) and they are substantially the same as the 2000 version of the Regulations which govern the procedural aspects of this case.

<sup>2</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 *Fed. Reg.* 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)) until November 13, 2000 when the Act was reauthorized. See Pub. L. No. 106-508.

1997 through on or about March 2, 2000, Quest exported from the United States chlorine and sulphur dioxide gas sensors, items subject to the Regulations, to Vietnam, Taiwan, India, the United Arab Emirates, Egypt, and Saudi Arabia, without obtaining Department of Commerce licenses as required by Section 742.2 of the Regulations;

WHEREAS, Quest 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; it fully understands the terms of this Settlement Agreement and the appropriate Order; it enters into this Settlement Agreement voluntarily and with full knowledge of its rights, and it states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Quest neither admits nor denies the allegations contained in the proposed Charging Letter;

WHEREAS, Quest wishes to settle and dispose of all matters alleged in the proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Quest agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered;

NOW THEREFORE, Quest and BXA agree as follows:

1. BXA has jurisdiction over Quest, under the Act and the Regulations, in connection with the matters alleged in the proposed Charging Letter.



2. BXA and Quest agree that the following sanction shall be imposed against Quest in complete settlement of the alleged violations of the Act and the Regulations set forth in the proposed Charging Letter:

- a. Quest shall be assessed a civil penalty in the amount of \$225,000, \$45,000 of which shall be paid to the U.S. Department of Commerce within thirty days from the date of entry of the appropriate Order and a second payment of \$45,000 which shall be paid to the U.S. Department of Commerce within one year from the date of entry of the appropriate Order. Payment of the remaining \$135,000 shall be suspended for a period of one year from the date of entry of the appropriate Order and thereafter shall be waived, provided that during the period of suspension, Quest has committed no violation of the Act, or any regulation, order or license issued thereunder; and provided further that Quest has made timely payment of \$90,000 of the civil penalty.
- b. As authorized by Section 1 l(d) of the Act, the timely payment of the civil penalty agreed to in paragraph 2a. 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 Quest. Failure to make timely payment of the civil penalty set forth above shall result in the denial of all of Quest's export privileges for a period of one year from the date of entry of the appropriate Order imposing the civil penalty.

3. Quest agrees that, subject to the approval of this Settlement Agreement pursuant to paragraph 8 hereof, it hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Settlement Agreement or the appropriate Order, when entered), including, without limitation, any right: (a) to an administrative hearing regarding the allegations in the proposed Charging Letter; (b) to request a refund of any civil penalty paid pursuant to this Settlement Agreement and the appropriate Order, when entered; and (c) to seek judicial review or otherwise to contest the validity of this Settlement Agreement or the appropriate Order, when entered.

4. BXA agrees that, upon entry of an appropriate Order, it will not initiate any administrative proceeding against Quest in connection with any violation of the Act or the Regulations arising out the transactions identified in the proposed Charging Letter.

5. Quest understands that BXA will make the proposed Charging Letter, this Settlement Agreement, and the appropriate Order, when entered, available to the public.

6. BXA and Quest agree that this Settlement Agreement is for settlement purposes only. Therefore, if this Settlement Agreement is not accepted and an appropriate Order is not issued by the Assistant Secretary for Export Enforcement pursuant to Section 766.18(a) of the Regulations, BXA and Quest agree that they may not use this Settlement Agreement in any administrative or judicial proceeding and that the parties shall not be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement

Agreement or the appropriate Order, when entered, nor shall this Settlement 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.

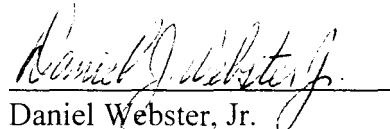
8. This Settlement Agreement shall become binding on BXA only when the Assistant Secretary for Export Enforcement approves it by entering an appropriate Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

BUREAU OF EXPORT ADMINISTRATION  
U.S. DEPARTMENT OF COMMERCE

QUEST TECHNOLOGIES, INC.



Mark Menefee  
Director  
Office of Export Enforcement



Daniel Webster, Jr.  
President and Chief Executive Officer

Date: 4/10/01

Date: April 9, 2001

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF EXPORT ADMINISTRATION  
WASHINGTON, D.C. 20230

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In the Matter of: )  
 )  
QUEST TECHNOLOGIES, INC. )  
1060 Corporate Drive )  
Oconomowoc, WI 53066, )  
 )  
 )  
\_\_\_\_\_  
Respondent

ORDER

The Bureau of Export Administration, United States Department of Commerce (BXA), having notified Quest Technologies, Inc. (Quest) 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. 2000)) (Act),<sup>1</sup> and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2000)) (Regulations),<sup>2</sup> based on allegations that on 45 separate occasions, from on or about January 30, 1997 through on or about March 2, 2000, Quest exported from the United States to Vietnam, Taiwan, India, the United Arab Emirates, Egypt, and Saudi Arabia, chlorine and sulphur dioxide gas sensors, items subject to the Regulations, without obtaining Department of Commerce licenses as required by

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<sup>1</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 *Fed. Reg.* 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)) until November 13, 2000 when the Act was reauthorized. See Pub. L. No. 106-508.

<sup>2</sup> The violations at issue occurred from 1997 through 2000. The Regulations governing the violations at issue are found in the 1997 through 2000 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1997-2000)). They are substantially the same as the 2000 version of the Regulations which govern the procedural aspects of this case.

Section 742.2 of the Regulations thereby committing 45 violations of Section 764.2(a) of the Regulations, and;

BXA and Quest 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 \$225,000 is assessed against Quest, \$45,000 of which shall be paid to the U.S. Department of Commerce within thirty days from the date of entry of this Order and a second payment of \$45,000 which shall be paid to the U.S. Department of Commerce within one year from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$135,000 shall be suspended for one year from the date of entry of this Order and shall thereafter be waived, provided that, during the period of suspension, Quest has committed no violation of the Act, or any regulation, license or order issued thereunder; and provided further that Quest has made timely payment of \$90,000 of the civil penalty.

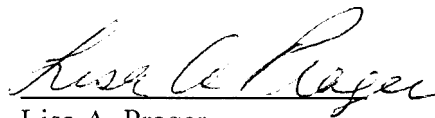
SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§3701-3720E (1983 and Supp. 2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Quest will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

Order  
Quest Technologies. Inc.  
Page 3 of 3

THIRD, that, as authorized by Section 1 l (d) of the Act, 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 Exception, permission, or privilege granted, or to be granted, to Quest. Accordingly, if Quest should fail to pay the civil penalty in a timely manner, the undersigned will enter an Order under the authority of Section 1 l(d) of the Act denying all of Quest'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.

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



Lisa A. Prager  
Acting Assistant Secretary  
for Export Enforcement

Entered this 17<sup>th</sup> day of April, 2001.