



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

The Sumner Corporation.
(formerly known as Ansimag, Inc.)
c/o Conrad A. May
123 South Arlington Heights Road
Arlington Heights, Illinois 60005

Attention: Kaz Ooka
President

Dear Mr. Ooka:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described below, The Sumner Corporation (formerly known as Ansimag, Inc.) (hereinafter referred to as "Sumner") has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2001)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2001)) (the Act).²

¹ The Regulations governing the violations at issue are found in the 1996, 1997 and 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) (hereinafter "the former Regulations")), and 15 C.F.R. Parts 768-799 (1997 and 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. As an interim measure that was part of the transition to newly restructured and reorganized Regulations, the March 25, 1996 *Federal Register* publication also restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996. The former Regulations and the Regulations define the various violations that BXA alleges occurred. The Regulations establish the procedures that apply to this matter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which had been extended by successive Presidential Notices, the most recent being that of 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.A. §§ 1701-1706 (1991 & Supp. 2001)) until November 13, 2000 when the Act was reauthorized. See Pub. L. No. 106-508.



Facts constituting violations:

Charges 1-3

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, from on or about July 27, 1996 through on or about December 9, 1996, Ansimag, Inc.³ exported from the United States to Israel centrifugal pumps without the validated licenses required by Section 778A.8 of the former Regulations. BXA alleges that by exporting commodities from the United States to any person or to any destination in violation of or contrary to any provision of the Act or any regulation, order or license issued thereunder, Sumner committed three violations of Section 787A.6 of the former Regulations.

Charges 4 - 15

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, from on or about January 8, 1997 through on or about January 16, 1998, Ansimag, Inc.⁴ exported from the United States to Israel and Taiwan centrifugal pumps without the licenses required by Section 742.2 of the Regulations. BXA alleges that, by engaging in conduct prohibited by or contrary to the Act, the Regulations, or any order, license or authorization issued thereunder, Sumner committed 12 violations of Section 764.2(a) of the Regulations.

BXA alleges that Sumner committed three violation of Section 787A.2 of the former Regulations and 12 violations of Section 764.2(a) of the Regulations for a total of 15 violations.

Accordingly, Sumner 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 \$10,000 per violation (see Section 764.3(a)(1) of the Regulations);⁵

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).

³ The actual exports were made by Sumner's predecessor, Ansimag, Inc.

⁴ Id.

⁵ The maximum penalty for any violation committed after October 23, 1996 is \$11,000 per violation. *See* 15 C.F.R. § 6.4(a)(3)(2001).

Copies of relevant Parts of the Regulations are enclosed.

If Sumner 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.

Sumner 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, to be represented by counsel, and to seek a consent settlement.

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, Sumner'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 Sumner's answer should be served on BXA at the address set forth in Section 766.5(b), adding "ATTENTION: Mi-Yong Kim, Esq., Room 3839" below the address. Ms. Kim may be contacted by telephone at (202) 482-5311.

Sincerely,

Mark D. Menefee
Director
Office of Export Enforcement

Enclosures

SCHEDULE A

SCHEDULE OF EXPORTS
THE SUMNER CORPORATION

Charge No. Export Date
(on or about) Commodities Air Waybill,
Bill of Lading # Invoice # Destination

1	7/27/96	Km-Series Pump	65232106700	20116	Israel
2	9/14/96	K-Series Pump	Illegible	20667	Israel
3	12.9/96	K-Series Pump	25627910	21417	Israel
4	1.8/97 (Invoice Date)	Km-Series Pump	Not Available	21626	Israel
5	2.28/97 (Invoice Date)	K-Series Pumps	Not Available	22082	Taiwan
6	5.16/97	K-Series Pumps	03445338	22920	Israel
7	5.28/97 (Invoice Date)	Km-Series Pump	Not Available	22994	Israel
8	8.27/97	K-Series Pump	40913364	24055	Israel
9	9.12/97	K-Series Pump	40613720	24201	Israel
10	9.18/97	K-Series Pump	41032154	24345	Israel
11	10.10/97	KF-Series Pumps	CHI01 166314	24653	Israel
12	10.15/97	K-Series Pumps	36896845	24703	Israel
13	11.11/97	K-Series Pump	37052175	25052	Israel
14	12.4/97	K-Series Pump	37054776	25137	Israel
15	1.16/98	Km-Series Pump	Not Available	25823	Israel

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

In the Matter of:)
)
The Sumner Corporation)
(formerly known as Ansimag, Inc.))
c/o Conrad A. May)
123 South Arlington Heights Road)
Arlington Heights, Illinois 60005)
)

Respondent)

SETTLEMENT AGREEMENT

This Agreement is made by and between The Sumner Corporation (formerly known as Ansimag, Inc.) (hereinafter referred to as "Sumner") and the Bureau of Export Administration, United States Department of Commerce, pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2001)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2001)) (the Act).²

¹ The Regulations governing the violations at issue are found in the 1996, 1997 and 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) (hereinafter "the former Regulations")), and 15 C.F.R. Parts 768-799 (1997 and 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. As an interim measure that was part of the transition to newly restructured and reorganized Regulations, the March 25, 1996 *Federal Register* publication also restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996. The former Regulations and the Regulations define the various violations that BXA alleges occurred. The Regulations establish the procedures that apply to this matter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which had been extended by successive Presidential Notices, the most

WHEREAS, the Office of Export Enforcement, Bureau of Export Administration (BXA), has notified Sumner of its intention to initiate an administrative proceeding against Sumner pursuant to the Act and the Regulations, based on allegations that, from on or about July 27, 1996 through on or about December 9, 1996, Ansimag, Inc.³ exported from the United States to Israel centrifugal pumps without the validated licenses required by Section 778A.8 of the former Regulations, in violation of Section 787A.6 of the former Regulations; and, that from on or about January 8, 1997 through on or about January 16, 1998, Ansimag, Inc.⁴ exported from the United States to Israel and Taiwan centrifugal pumps without the licenses required by Section 742.2 of the Regulations, in violation of Section 764.2(a) of the Regulations;

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

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

recent being that of 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.A. §§ 1701-1706 (1991 & Supp. 2001)) until November 13, 2000 when the Act was reauthorized. *See* Pub. L. No. 106-508.

³ The actual exports were made by Sumner's predecessor, Ansimag, Inc.

⁴ *Id.*

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

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

NOW THEREFORE, Sumner and BXA agree as follows:

1. BXA has jurisdiction over Sumner, under the Act and the Regulations, in connection with the matters alleged in the proposed Charging Letter.
2. BXA and Sumner agree that the following sanctions shall be imposed against Sumner in complete settlement of all alleged violations of the Act and the Regulations as set forth in the proposed Charging Letter:
 - (a) Sumner shall be assessed a civil penalty of \$75,000, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the appropriate Order.
 - (b) As authorized by Section 11(d) of the Act, the 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 Sumner. Failure to make timely payment of the civil penalty shall result in the denial of all of Sumner's export privileges for a period of one year from the date of entry of the appropriate Order imposing the civil penalty.
3. Sumner 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 Sumner in connection with any violation of the Act or the Regulations arising out of the transactions that were the subject of the investigation leading to the proposed Charging Letter (including the transactions that were identified in the proposed Charging Letter).

5. Sumner 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 Sumner 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 Sumner agree that they may not use this Settlement Agreement in any administrative or judicial proceeding and that neither party shall 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

THE SUMNER CORPORATION
(FORMERLY KNOWN AS ANSIMAG,
INC.)

BY: Mark D. Menefee
Mark D. Menefee
Director
Office of Export Enforcement

BY: Kaz Ooka
Kaz Ooka
President

Date: 9/6/01

Date: Aug/29/01

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

In the Matter of:)
)
The Sumner Corporation)
(formerly known as Ansimag, Inc.))
c/o Conrad A. May)
123 South Arlington Heights Road)
Arlington Heights, Illinois 60005)
)
Respondent _____)

ORDER

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), having notified The Sumner Corporation (formerly known as Ansimag, Inc.) (hereinafter referred to as "Sumner") of its intention to initiate an administrative proceeding against Sumner pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2001)) (the Act),¹ and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2001)) (the Regulations),² based on allegations that, from on or about July 27,

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 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. A. §§ 1701 - 1706 (1991 & Supp. 2001)) (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.

² The Regulations governing the violations at issue are found in the 1996, 1997 and 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) (hereinafter "the former Regulations")), and 15 C.F.R. Parts 768-799 (1997 and 1998)). The March 25, 1996 *Federal Register* publication

1996 through on or about December 9, 1996, Ansimag, Inc.³ exported from the United States to Israel centrifugal pumps without the validated licenses required by Section 778A.8 of the former Regulations, in violation of Section 787A.6 of the former Regulations; and, that from on or about January 8, 1997 through on or about January 16, 1998, Ansimag, Inc.⁴ exported from the United States to Israel and Taiwan centrifugal pumps without the licenses required by Section 742.2 of the Regulations, in violation of Section 764.2(a) of the Regulations;

BXA and Sumner 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, a civil penalty of \$75,000 is assessed against Sumner, which shall be paid to the U.S. Department of Commerce within 30 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

redesignated, but did not republish, the then-existing Regulations as 15 C.F.R. Parts 768A-799A. As an interim measure that was part of the transition to newly restructured and reorganized Regulations, the March 25, 1996 *Federal Register* publication also restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996. The former Regulations and the Regulations define the various violations that BXA alleges occurred. The Regulations establish the procedures that apply to this matter.

³ The actual exports were made by Sumner's predecessor, Ansimag, Inc.

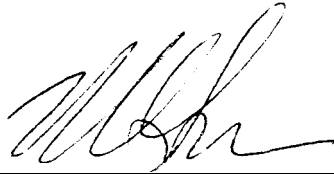
⁴ Id.

(31 U.S.C.A. §§ 3701-3720E (1983 & Supp. 2001)), 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, Sumner will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that, as authorized by Section 11(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, permission, or privilege granted, or to be granted, to Sumner. Accordingly, if Sumner should fail to pay in a timely manner the civil penalty set forth above, the undersigned will enter an Order under the authority of Section 11(d) of the Act denying all of Sumner's export privileges for a period of one year from the date 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.



Michael J. Garcia
Assistant Secretary
for Export Enforcement

Entered this 20th day of September, 2001.