
UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

BUREAU OF
EXPORT
ADMINISTRATION

FOR IMMEDIATE RELEASE:

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Contact: Steven Jacques
Eugene Cottilli
Phone: (202) 482-272 1
Fax: (202) 482-242 1

**NEW YORK COMPANY SETTLES
CHARGES OF FALSE STATEMENTS IN CONNECTION WITH
EXPORT TO CHINA**

WASHINGTON -- Assistant Secretary of Commerce for Export Enforcement, F. Amanda DeBusk, today announced a \$20,000 civil penalty imposed on A & C International Trade, Inc., of New York, New York, for allegedly making false statements on an export control document to facilitate the export of a U.S.-origin armored riot control vehicle equipped with a pressurized pepper gas dispensing system to the Peoples Republic of China (PRC).

Earlier this year in the U.S. District Court for the District of Columbia, A & C International, Inc., entered a plea of guilty to an Information charging it with a felony violation for the export. Yufeng Wang, also known as Alan Wang, the company's president, entered a plea of guilty to a separate count of the Information charging him with a misdemeanor for filing a false document with the United States Customs service and the Secretary of Treasury.

Last week the company was ordered to pay a \$5,000 fine, a \$400 special assessment, and was placed on 3 years probation; Wang was sentenced to a prison term of time already served, one year of supervised release, 250 hours of community service and a \$25 special assessment.

Commerce's Office of Export Enforcement's Boston Field Office and the U.S. Customs Service conducted the investigation.

The Department of Commerce, through its Bureau of Export Administration, administers and enforces export controls for reasons of national security, foreign policy, nonproliferation and short supply. Criminal penalties, as well as administrative sanctions, can be imposed for violations of the regulations.



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

A&C International Trade, Inc.
350 5th Avenue, Suite 2024
New York, New York 101182099

Attention: Mr. Alan Wang
Vice President

Dear Mr. Wang:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described below, A&C International Trade, Inc. (hereinafter referred to as A&C International Trade), has violated the Export Administration Regulations (15 C.F.R. Parts 730-774 (1999)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the Act).²

Facts constituting violations:

Charges 1-2

On or about November 30, 1995, A&C International Trade exported an armored riot control vehicle equipped with what the manufacturer described as a pressurized pepper gas dispensing system to the People's Republic of China (PRC). In connection with this export, on or about November 30, 1995, A&C International Trade filed or caused to be filed with the U.S. Customs Service a Shipper's Export Declaration, defined as an export control document in Section 770.3

¹ The alleged violations occurred in 1995. The Regulations governing the violations at issue are found in the 1995 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1995)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured 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)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (64 Fed. Reg. 44101, August 13, 1999), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).



of the former Regulations, representing that the goods described therein were being shipped under general license G-DEST to the PRC. In fact, as provided in Section 771.2(c)(1) of the former Regulations, general license G-DEST was not available for the export of a vehicle equipped with a pressurized pepper gas dispensing system to any destination. BXA alleges that, by exporting a commodity to any person or destination or for any use in violation of or contrary to the terms, provisions or conditions of the Act, or any regulation, order, or license issued thereunder, A&C International Trade violated Section 787.6 of the former Regulations. In addition, BXA alleges that, by making false or misleading statements of material fact directly or indirectly to a U.S. Government agency in connection with the preparation, submission or use of an export control document, A&C International Trade violated Section 787.5(a) of the former Regulations.

BXA alleges that A&C International Trade committed one violation of Section 787.5(a) and one violation of Section 787.6, for a total of two violations of the former Regulations.

Accordingly, A&C International Trade 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);

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 A&C International Trade 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.

A&C International Trade 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 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,

A&C International Trade'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 A&C International Trade's answer should be served on BXA at the address set forth in Section 766.5(b), adding "ATTENTION: C. Randall Pratt, Esq." below the address. Ms. Pratt may be contacted by telephone at (202) 482-5304.

Sincerely,

Mark D. Menefee
Director
Office of Export Enforcement

Enclosure

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

In the Matter of:)
)
A&C INTERNATIONAL TRADE, INC.,)
)
350 5th Avenue, Suite 2024)
New York, New York 10 11 S-2099,)
)
Resuondent)

SETTLEMENT AGREEMENT

This Agreement is made by and between A&C International Trade, Inc. (hereinafter referred to as A&C International Trade), and the Bureau of Export Administration, United States Department of Commerce (BXA), pursuant to Section 766.18(a) of the Export Administration Regulations (1.5 C. F.R. Parts 730-774 (1999)) (the Regulations), ¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the Act).²

¹The alleged violations occurred in 1995. The Regulations governing the violations at issue are found in the 1995 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1995)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to this matter.

²The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (64 Fed. Reg. 44101, August 13, 1999), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & supp. 1999)).

WHEREAS, the Office of Export Enforcement, Bureau of Export Administration (BXA), has notified A&C International Trade of its intention to initiate an administrative proceeding against it pursuant to the Act and the Regulations, based on allegations that, on or about November 30, 1995, A&C International Trade, in connection with the export of an armored riot control vehicle equipped with what the manufacturer described as a pressurized pepper gas dispensing system to the People's Republic of China (PRC), represented on a Shipper's Export Declaration, defined as an export control document in Section 770.2 of the former Regulations, that the goods were being shipped under general license G-DEST to the PRC, when, in fact, general license G-DEST was not available for that export, thereby violating Sections 787.6 and 787.5(a) of the former Regulations;

WHEREAS, A&C International Trade has reviewed the proposed Charging Letter 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, it fully understands the terms of this Settlement Agreement and the proposed 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, A&C International Trade neither admits nor denies the allegations contained in the proposed Charging Letter;

WHEREAS, A&C International Trade wishes to settle and dispose of all matters set forth in the proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, A&C International Trade agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered (appropriate Order); NOW THEREFORE, A&C International Trade and BXA agree as follows:

1. BXA has jurisdiction over A&C International Trade, under the Act and the Regulations, in connection with the matters set forth in the proposed Charging Letter.

2. BXA and A&C International Trade agree that the following sanctions shall be imposed against A&C International Trade in complete settlement of the alleged violations of the Act and former Regulations set forth in the proposed Charging Letter:

- a. A&C International Trade shall be assessed a civil penalty in the amount of \$20,000, which shall be paid to BXA within 30 days from the date of entry of the appropriate Order.
- b. A&C International Trade and all its successors or assigns, officers, representatives, agents, and employees, may not, for a period of three years from the date of entry of an appropriate Order, participate, directly or indirectly, in any way in any transaction involving an 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. As authorized by Section 766.18(c) of the Regulations, this denial of export privileges shall be suspended for a period of three years from the date of entry of an appropriate Order, and shall thereafter be waived, provided that, during the period of suspension, A&C International Trade has committed no violation of the Act, or any regulation, order, or license issued thereunder.

3. A&C International Trade 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 A&C International Trade in connection with any violation of the Act or the Regulations based on the facts alleged in the proposed Charging Letter.

5. A&C International Trade 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 A&C International Trade 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 A&C International Trade 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.

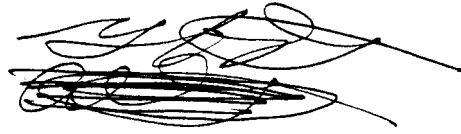
8. This Settlement Agreement shall become binding on BXA only when the Assistant Secretary for Export Enforcement approves it by entering an appropriate Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

BUREAU OF EXPORT ADMINISTRATION
U.S. DEPARTMENT OF COMMERCE

A&C INTERNATIONAL TRADE, INC



Mark Menefee
Director
Office of Export Enforcement



Yufeng Wang
also known as Alan Wang
Vice President

Date: 4/3/00

Date: 3/27/00

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

In the Matter of:)
)
A&C INTERNATIONAL TRADE, INC.,)
)
350 5th Avenue, Suite 2024)
New York, New York 10118-2099,)
)

Respondent)

ORDER

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), having notified A&C International Trade, Inc., (hereinafter referred to as A&C International Trade), of its intention to initiate an administrative proceeding against it pursuant to Part 766 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1999)) (the Regulations),* issued pursuant to the Export Administration Act of 1979, as amended

¹The alleged violations occurred in 1995. The Regulations governing the violations at issue are found in the 1995 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1995)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to this matter.

(50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the Act),² based on allegations that, on or about November 30, 1995, A&C International Trade, in connection with the export of an armored riot control vehicle equipped with what the manufacturer described as a pressurized pepper gas dispensing system to the People's Republic of China (PRC), represented on a Shipper's Export Declaration, defined as an export control document in Section 770.2 of the former Regulations, that the goods were being shipped under general license G-DEST to the PRC, when, in fact, general license G-DEST was not available for that export, thereby violating Sections 787.6 and 787.5(a) of the former Regulations; and

BXA and A&C International Trade having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agree 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 \$20,000 is assessed against A&C International Trade, which shall be paid to the Department within 30 days of the date of entry of this Order.

Payment shall be made in the manner specified in the attached instructions.

²The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (64 Fed. Reg. 44101, August 13, 1999), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & supp. 1999)).

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 1999)), 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, respondent will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that, for a period of three years from the date of entry of this Order, A&C International Trade, Inc., with an address at 350 5th Avenue, Suite 2024, New York, New York 10118-2099, and all successors or assigns, officers, representatives, agents, and employees, may not participate, directly or indirectly, 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 that 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.

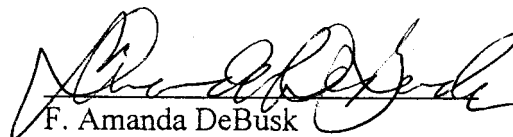
FIFTH, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to A&C International Trade by affiliation, ownership, control or position of responsibility in the conduct of trade or related services may also be subject to the provisions of this Order.

SIXTH, that this Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

SEVENTH, that, as authorized by Section 766.18(c) of the Regulations, the denial period set forth above shall be suspended in its entirety for a period of three years from the date of entry of this Order, and shall thereafter be waived, provided that, during the period of suspension, A&C International Trade has committed no violation of the Act, or any regulation, order, or license issued thereunder.

EIGHTH, 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.


F. Amanda DeBusk
Assistant Secretary
for Export Enforcement

Entered this 24th day of July, 2000