

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Toxin Technology, Inc.
7165 Curtiss Avenue
Sarasota, FL 34231

Attn: *Raoul F. Reiser, PhD.*
President

Dear Mr. Reiser:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Toxin Technology, Inc. ("TTI") has committed 93 violations of the Export Administration Regulations (the "Regulations"),¹ which are issued under the authority of the Export Administration Act of 1979 (the "Act").² Specifically, BIS charges that TTI committed the following violations:

Charges 1 - 92 15 C.F.R. § 764.2(a): Exports of Various Toxins without the Required Licenses:

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on 92 occasions, from on or about July 1, 2000 through on or about December 5, 2001, TTI engaged in conduct prohibited by the Regulations by exporting various toxins, including staphylococcal enterotoxins (ECCN³ 1C351) and shiga toxins (ECCN 1C351), items

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2005). The charged violations occurred from 2000 through 2001. The Regulations governing the violations at issue are found in the 2000 - 2001 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2001)). The 2005 Regulations establish the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which has 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 in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("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 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive presidential notices, the most recent being that of August 2, 2005 (70 Fed. Reg. 45273 (August 5, 2005)), has continued the Regulations in effect under the IEEPA.

³ The term "ECCN" refers to an Export Control Classification Number. See Section 772.1 of the Regulations.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, TTI's answer must be filed in accordance with the instructions set forth 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 TTI's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security
Attention: James C. Pelletier
Room H-3839
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

James C. Pelletier is the attorney representing BIS in this case. Any communications that TTI may wish to have concerning this matter should occur through him. He may be contacted by telephone at (202) 482-5301.

Sincerely,

Michael D. Turner
Director
Office of Export Enforcement

SCHEDULE A

TOXIN TECHNOLOGY, INC.

CHARGE	EXPORT DATE	COMMODITY/ECCN	VALUE (U.S. DOLLARS)	COUNTRY	TTI INVOICE NUMBER	AWB #
1	7/06/00	Staphylococcal Enterotoxins 1C351	\$ 550	Taiwan	0009970-IN	400-71853456
2	7/11/00	Staphylococcal Enterotoxin 1C351	\$ 1,320	Japan	0009955-IN	400-71906203
3	7/13/00	Staphylococcal Enterotoxin 1C351	\$ 825	Switzerland	0009969-IN	400-71944913
4	7/18/00	Staphylococcal Enterotoxin 1C351	\$ 132	Belgium	0009979-IN	400-71990365
5	7/25/00	Staphylococcal Enterotoxin 1C351	\$ 1,320	Japan	0009986-IN	400-72072910
6	7/26/00	Staphylococcal Enterotoxins 1C351	\$ 253	France	0009991-IN	400-72084110
7	8/01/00	Staphylococcal Enterotoxins 1C351	\$ 825	Spain	0010003-IN	400-72147574
8	8/15/00	Staphylococcal Enterotoxin 1C351	\$ 440	Denmark	0010028-IN	400-72304363
9	8/16/00	Staphylococcal Enterotoxin 1C351	\$ 330	Germany	0010030-IN	400-72319225

CHARGE	EXPORT DATE	COMMODITY/ECCN	VALUE (U.S. DOLLARS)	COUNTRY	TTI INVOICE NUMBER	AWB #
10	8/30/00	Staphylococcal Enterotoxins 1C351	\$ 3,820	Japan	0010053-IN	400-33703563
11	10/10/00	Staphylococcal Enterotoxins 1C351	\$ 3,786	Japan	0010153-IN	400-33703655
12	10/12/00	Staphylococcal Enterotoxins 1C351	\$ 550	Brazil	0010161-IN	400-72932484
13	10/12/00	Staphylococcal Enterotoxin 1C351	\$ 66	Switzerland	0010162-IN	400-72932624
14	10/16/00	Staphylococcal Enterotoxin 1C351	\$ 33	United Kingdom	0010170-IN	400-72962676
15	10/16/00	Staphylococcal Enterotoxins 1C351	\$ 1,540	Denmark	0010169-IN	400-72962864
16	10/17/00	Staphylococcal Enterotoxins 1C351	\$ 990	France	0010173-IN	400-72976142
17	10/17/00	Staphylococcal Enterotoxin 1C351	\$ 110	Netherlands	0010172-IN	400-72976212
18	10/25/00	Staphylococcal Enterotoxins 1C351	\$ 172	Japan	0010188-IN	400-73065731
19	10/25/00	Staphylococcal Enterotoxin 1C351	\$ 220	Switzerland	0010187-IN	400-73065650

CHARGE	EXPORT DATE	COMMODITY/ECCN	VALUE (U.S. DOLLARS)	COUNTRY	TTI INVOICE NUMBER	AWB #
20	10/31/00	Staphylococcal Enterotoxin 1C351	\$ 330	France	0010200-IN	400-73124030
21	11/01/00	Staphylococcal Enterotoxin 1C351	\$ 388	France	0010207-IN	400-73138634
22	11/01/00	Staphylococcal Enterotoxin 1C351	\$ 330	Sweden	0010206-IN	400-73138660
23	11/02/00	Staphylococcal Enterotoxins 1C351	\$ 506	Netherlands	0010208-IN	400-73157232
24	11/14/00	Staphylococcal Enterotoxins 1C351	\$ 550	Switzerland	0010235-IN	400-73266233
25	11/17/00	Staphylococcal Enterotoxins 1C351	\$ 880	Austria	0010244-IN	400-73308362
26	11/22/00	Staphylococcal Enterotoxin 1C351	\$ 1,600	Japan	0010252-IN	400-73354632
27	11/28/00	Staphylococcal Enterotoxin 1C351	\$ 330	United Kingdom	0010260-IN	400-73387510
28	11/28/00	Staphylococcal Enterotoxin 1C351	\$ 66	United Kingdom	0010262-IN	400-73387602
29	11/29/00	Staphylococcal Enterotoxins 1C351	\$ 3,896	Japan	0010299-IN	400-33703670

CHARGE	EXPORT DATE	COMMODITY/ECCN	VALUE (U.S. DOLLARS)	COUNTRY	TTI INVOICE NUMBER	AWB #
30	12/01/00	Staphylococcal Enterotoxins 1C351	\$ 293	Japan	0010282-IN	400-73437825
31	12/15/00	Staphylococcal Enterotoxins 1C351	\$ 2,376	United Kingdom	0010309-IN	400-73580441
32	12/20/00	Staphylococcal Enterotoxin 1C351	\$ 220	Germany	0010312-IN	400-73628575
33	12/20/00	Staphylococcal Enterotoxins 1C351	\$ 1,298	Spain	0010313-IN	400-73628656
34	12/21/00	Staphylococcal Enterotoxin 1C351	\$ 825	Spain	0010320-IN	400-73645762
35	12/28/00	Staphylococcal Enterotoxins 1C351	\$ 5,056	Japan	0010322-IN	400-33703703
36	12/28/00	Staphylococcal Enterotoxins 1C351	\$ 139	Taiwan	0010325-IN	400-73685076
37	12/28/00	Staphylococcal Enterotoxin 1C351	\$ 440	Belgium	0010326-IN	400-73685102
38	1/04/01	Staphylococcal Enterotoxins 1C351	\$ 5,520	Japan	0010339-IN	400-33703725
39	1/11/01	Staphylococcal Enterotoxin 1C351	\$ 560	Austria	0010348-IN	400-73791060
40	1/17/01	Shiga toxins 1C351	\$ 451	France	0010363-IN	400-73844455

CHARGE	EXPORT DATE	COMMODITY/ECCN	VALUE (U.S. DOLLARS)	COUNTRY	TTI INVOICE NUMBER	AWB #
41	1/19/01	Staphylococcal Enterotoxins 1C351	\$ 836	Mexico	0010367-IN	400-73872175
42	1/25/01	Shiga toxin 1C351	\$ 230	United Kingdom	0010382-IN	400-73922682
43	1/25/01	Staphylococcal Enterotoxin 1C351	\$ 220	Belgium	0010380-IN	400-73922726
44	1/29/01	Staphylococcal Enterotoxin 1C351	\$ 110	Germany	0010383-IN	400-73949665
45	1/31/01	Shiga toxins 1C351	\$ 451	France	0010389-IN	400-73976276
46	2/02/01	Staphylococcal Enterotoxins 1C351	\$ 2,068	Germany	0010398-IN	400-74001373
47	2/19/01	Staphylococcal Enterotoxin 1C351	\$ 968	France	0010436-IN	400-74154953
48	2/27/01	Staphylococcal Enterotoxins 1C351	\$ 385	Belgium	0010464-IN	400-74230505
49	2/28/01	Staphylococcal Enterotoxins 1C351	\$ 20,250	Sweden	0010465-IN	400-33703773
50	3/14/01	Staphylococcal Enterotoxins 1C351.d.8 and Shiga toxins 1C351	\$ 12,111	France	0010496-IN	400-33703784

CHARGE	EXPORT DATE	COMMODITY/ECCN	VALUE (U.S. DOLLARS)	COUNTRY	TTI INVOICE NUMBER	AWB #
51	3/14/01	Staphylococcal Enterotoxin 1C351	\$ 194	Sweden	0010497-IN	400-74379675
52	3/15/01	Staphylococcal Enterotoxins 1C351	\$ 3,280	Japan	0010504-IN	400-33703795
53	3/19/01	Staphylococcal Enterotoxin 1C351	\$ 2,875	Japan	0010511-IN	400-33703806
54	3/22/01	Staphylococcal Enterotoxins 1C351	\$ 260	Norway	0010516-IN	400-74460293
55	4/12/01	Staphylococcal Enterotoxins 1C351	\$ 5,850	Japan	0010560-IN	400-33703810
56	5/02/01	Staphylococcal Enterotoxin 1C351	\$ 388	Italy	0010607-IN	400-74826850
57	5/07/01	Staphylococcal Enterotoxin 1C351	\$ 330	United Kingdom	0010615-IN	400-74862362
58	5/15/01	Staphylococcal Enterotoxins 1C351	\$ 1,988	Argentina	0010631-IN	400-74935221
59	5/31/01	Shiga toxin 1C351	\$ 221	United Kingdom	0010660-IN	400-75070026
60	5/31/01	Staphylococcal Enterotoxin 1C351	\$ 594	Netherlands	0010661-IN	400-75070063

CHARGE	EXPORT DATE	COMMODITY/ECCN	VALUE (U.S. DOLLARS)	COUNTRY	TTI INVOICE NUMBER	AWB #
61	6/08/01	Staphylococcal Enterotoxins 1C351	\$ 15,500	Sweden	0010683-IN	400-37749806
62	6/08/01	Staphylococcal Enterotoxin 1C351	\$ 400	Denmark	0010684-IN	400-75144381
63	6/11/01	Staphylococcal Enterotoxin 1C351	\$ 66	United Kingdom	0010691-IN	400-75159000
64	6/12/01	Staphylococcal Enterotoxin 1C351	\$ 330	Sweden	0010696-IN	400-75169091
65	6/13/01	Staphylococcal Enterotoxin 1C351	\$ 220	Austria	0010699-IN	400-75181842
66	6/14/01	Staphylococcal Enterotoxin 1C351	\$ 330	Sweden	0010700-IN	400-75192666
67	6/15/01	Staphylococcal Enterotoxin 1C351	\$ 825	Switzerland	0010702-IN	400-75205852
68	6/18/01	Staphylococcal Enterotoxins 1C351	\$ 5,110	Japan	0010704-IN	400-37749773
69	6/20/01	Staphylococcal Enterotoxins 1C351	\$ 172	Japan	0010713-IN	400-75241456

CHARGE	EXPORT DATE	COMMODITY/ECCN	VALUE (U.S. DOLLARS)	COUNTRY	TTI INVOICE NUMBER	AWB #
70	6/21/01	Shiga toxins 1C351	\$ 451	Germany	0010716-IN	400-75252892
71	7/05/01	Staphylococcal Enterotoxin 1C351	\$ 660	Japan	0010734-IN	400-75358953
72	7/05/01	Staphylococcal Enterotoxin 1C351	\$ 360	Switzerland	0010737-IN	400-75362652
73	7/12/01	Staphylococcal Enterotoxins 1C351	\$ 550	United Kingdom	0010747-IN	400-75412864
74	7/27/01	Staphylococcal Enterotoxin 1C351	\$ 1,320	Japan	0010771-IN	400-26020525
75	8/09/01	Staphylococcal Enterotoxin 1C351	\$ 242	United Kingdom	0010801-IN	400-26118481
76	8/13/01	Staphylococcal Enterotoxin 1C351	\$ 110	Netherlands	0010805-IN	400-26137753
77	8/29/01	Staphylococcal Enterotoxin 1C351	\$ 440	Switzerland	0010834-IN	400-26264593

CHARGE	EXPORT DATE	COMMODITY/ECCN	VALUE (U.S. DOLLARS)	COUNTRY	TTI INVOICE NUMBER	AWB #
78	8/30/01	Staphylococcal Enterotoxin 1C351	\$ 825	New Zealand	0010836-IN	400-26271921
79	9/07/01	Staphylococcal Enterotoxin 1C351	\$ 2,475	Sweden	0010852-IN	400-26326661
80	9/18/01	Staphylococcal Enterotoxin 1C351	\$ 825	Spain	0010873-IN	400-26384912
81	9/18/01	Staphylococcal Enterotoxin 1C351	\$ 500	Italy	0010875-IN	400-26384982
82	9/20/01	Staphylococcal Enterotoxin 1C351	\$ 194	Japan	0010883-IN	400-26405396
83	9/28/01	Staphylococcal Enterotoxin 1C351.d.8	\$ 1,650	Japan	0010909-IN	400-26467162
84	9/28/01	Staphylococcal Enterotoxins 1C351	\$ 15,700	Sweden	0010907-IN	400-37749740
85	10/01/01	Staphylococcal Enterotoxin 1C351	\$ 880	Denmark	0010914-IN	400-26479460

CHARGE	EXPORT DATE	COMMODITY/ECCN	VALUE (U.S. DOLLARS)	COUNTRY	TTI INVOICE NUMBER	AWB #
86	10/10/01	Staphylococcal Enterotoxin 1C351	\$ 330	Sweden	0010947-IN	400-26549412
87	10/19/01	Staphylococcal Enterotoxins 1C351	\$ 1,056	Switzerland	0010963-IN	400-26623671
88	10/31/01	Staphylococcal Enterotoxin 1C351	\$ 110	Switzerland	0010996-IN	400-26697731
89	11/06/01	Staphylococcal Enterotoxin 1C351	\$ 220	Spain	0011007-IN	400-26736942
90	11/14/01	Staphylococcal Enterotoxin 1C351	\$ 2,475	Sweden	0011027-IN	400-26796280
91	11/27/01	Staphylococcal Enterotoxin 1C351	\$ 132	United Kingdom	0011065-IN	400-26872296
92	12/05/01	Staphylococcal Enterotoxin 1C351	\$ 242	Denmark	0011083-IN	400-26935204

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

In the Matter of:)
)
Toxin Technology, Inc.)
7165 Curtiss Avenue)
Sarasota, FL 34231)
)
Respondent.)
_____)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Respondent, Toxin Technology, Inc. (“TTI”), and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively referred to as “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2005)) (“Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),²

¹ The charged violations occurred from 2000 through 2001. The Regulations governing the violations at issue are found in the 2000 - 2001 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2001)). The 2005 Regulations establish the procedures that apply to this matter.

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 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 (2000)) (“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 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005, (70 Fed. Reg. 45,273 (August 5, 2005)), has continued the Regulations in effect under IEEPA.

WHEREAS, TTI filed a voluntary self-disclosure with BIS's Office of Export Enforcement in accordance with Section 764.5 of the Regulations concerning the transactions at issue herein;

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

WHEREAS, BIS has issued a proposed charging letter to TTI that alleged that TTI committed 93 violations of the Regulations, specifically:

1. *92 Violations of 15 C.F.R. §764.2(a) - Exports of Various Toxins without the Required Licenses:* From on or about July 1, 2000 through on or about December 5, 2001, TTI engaged in conduct prohibited by the Regulations by exporting toxins, including staphylococcal enterotoxins (ECCN¹ 1C351) and shiga toxins (ECCN 1C351), items subject to the Regulations, from the United States to various countries including, Japan, France, and the United Kingdom, without the Department of Commerce licenses required by Section 742.2 of the Regulations.
2. *One Violation of 15 C.F.R. §764.2(i)- Failure to Comply with Recordkeeping Requirements:* From on or about July 1, 2001, through on or about December 5, 2001, TTI failed to comply with the recordkeeping requirements set forth in Section 762.2 of the Regulations. Specifically, TTI failed to retain export control documents (including Shipper's Export Declarations and airwaybills) in connection

¹ The term "ECCN" refers to an Export Control Classification Number. See Section 772.1 of the Regulations.

with the exports described above.

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

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

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

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

WHEREAS, TTI agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over TTI, under the Regulations, in connection with the matters alleged in the proposed charging letter.

2. The following sanction shall be imposed against TTI in complete settlement of the violations of the Regulations relating to the transactions detailed in the proposed charging letter and the voluntary self-disclosure:

- a. TTI shall be assessed a civil penalty in the amount of \$255,750, of which \$7,500 shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order; \$7,500 shall be paid to the U.S. Department of Commerce not later than May 15, 2006; \$7,500 shall be paid to the U.S. Department of Commerce not later than June 15, 2006; and \$7,500 shall be paid to the U.S. Department of Commerce not later than July 15, 2006. Payment of the remaining \$225,750 shall be suspended until April 15, 2007, and thereafter shall be waived, provided that during the period of suspension, TTI has committed no violations of the Act, or any regulation, order, or license issued thereunder and TTI has made the payment of \$30,000 described above in a timely manner. Payment shall be made in the manner specified in the attached instructions.
- b. 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, License Exception, permission, or privilege granted, or to be granted, to TTI. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of TTI's export privileges under the Regulations for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, TTI 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 entered), 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 entered; (c) request any relief from the Order, if entered, including without limitation relief from the terms of a denial order under 15 C.F.R. § 764.3(a)(2); and (d) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order and timely payment of the \$30,000 civil penalty, BIS will not initiate any further administrative proceeding against TTI in connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed charging letter and the voluntary self-disclosure.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, 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 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 the Parties only if 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 respective party to the terms and conditions set forth herein.

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

TOXIN TECHNOLOGY, INC.



Michael D. Turner
Director
Office of Export Enforcement



Raoul F. Reiser, PhD.
President

Date: 4/18/2006

Date: April 4, 2006

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

In the Matter of:)
)
Toxin Technology, Inc.)
7165 Curtiss Avenue)
Sarasota, FL 34231)
)
Respondent.)
_____)

ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) has notified Toxin Technology, Inc. (“TTI”) of its intention to initiate an administrative proceeding against TTI pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) (“Regulations”)¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),² by issuing a proposed charging letter issued to TTI that alleged that TTI committed 93 violations of the Regulations. Specifically, the charges are:

¹ The charged violations occurred from 2000 through 2001. The Regulations governing the violations at issue are found in the 2000 - 2001 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2001)). The 2006 Regulations establish the procedures that apply to this matter.

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 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 (2000)) (“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 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005, (70 Fed. Reg. 45,273 (August 5, 2005)), has continued the Regulations in effect under IEEPA.

1. *92 Violations of 15 C.F.R. §764.2(a) - Exports of Various Toxins without the Required Licenses:* From on or about July 1, 2000 through on or about December 5, 2001, TTI engaged in conduct prohibited by the Regulations by exporting toxins, including staphylococcal enterotoxins (ECCN¹ 1C351) and shiga toxins (ECCN 1C351), items subject to the Regulations, from the United States to various countries including, Japan, France, and the United Kingdom, without the Department of Commerce licenses required by Section 742.2 of the Regulations.
2. *One Violation of 15 C.F.R. §764.2(i)- Failure to Comply with Recordkeeping Requirements:* From on or about July 1, 2001, through on or about December 5, 2001, TTI failed to comply with the recordkeeping requirements set forth in Section 762.2 of the Regulations. Specifically, TTI failed to retain export control documents (including Shipper's Export Declarations and airwaybills) in connection with the exports described above.

Whereas, BIS and TTI 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

Whereas I have approved the terms of the Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty in the amount of \$255,750, of which \$7,500 shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order; \$7,500 shall be paid to the U.S. Department of Commerce not later than May 15, 2006; \$7,500 shall be paid to the U.S. Department of Commerce not later than June 15, 2006; and \$7,500 shall be paid

¹ The term "ECCN" refers to an Export Control Classification Number. See Section 772.1 of the Regulations.

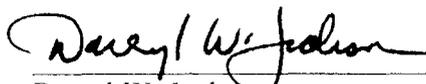
to the U.S. Department of Commerce not later than July 15, 2006. Payment of the remaining \$225,750 shall be suspended until April 15, 2007, and thereafter shall be waived, provided that during the period of suspension, TTI has committed no violations of the Act, or any regulation, order, or license issued thereunder and TTI has made the payment of \$30,000 described above in a timely manner. 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 (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, TTI 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 Exception, permission, or privilege granted, or to be granted, to TTI. Accordingly, if TTI should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of TTI's export privileges under the Regulations 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.


Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 20th day of April 2006.