

BIS  
FOIA

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

.....  
In the Matter of: )  
 )  
John H. Carrington )  
2316 Wakefield Plantation Drive )  
Raleigh, North Carolina 27614 )  
 )  
Respondent )  
.....

ORDER RELATING TO JOHN H. CARRINGTON

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS") has notified John H. Carrington ("Carrington") of its intention to initiate an administrative proceeding against him pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2005)) ("Regulations"),<sup>1</sup> and Section 13(e) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act"),<sup>2</sup> by issuing a proposed charging letter issued to Carrington that alleged that he committed 181 violations of the Regulations. Specifically, the charges are:

<sup>1</sup> The charged violations occurred from 1999 to 2004. The Regulations governing the violations at issue are found in the 1999 to 2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2004)). The 2005 Regulations establish the procedures that apply to this matter.

<sup>2</sup> 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 (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. 45273 (August 5, 2005)), has continued the Regulations in effect under IEEPA.

1. *One Violation of 15 C.F.R. §764.2(d) - Conspiracy to Violate the Regulations:*  
Beginning in or about September 2000 and continuing through in or about March 2004, Carrington conspired and acted in concert with others, known and unknown, to do or bring about an act that violates the Regulations. The purpose of the conspiracy was to export fingerprint imaging equipment and fingerprint ink and powder, items subject to the Regulations, from the United States to the Hong Kong Special Administrative Region ("Hong Kong") through Italy without the U.S. Department of Commerce licenses required by Section 742.7 of the Regulations. Fingerprint imaging equipment is classified under Export Control Classification Number ("ECCN") 3A981, and fingerprint ink and powder is classified under ECCN 1A985. Carrington and its co-conspirators took acts in furtherance of the conspiracy by exporting fingerprint imaging equipment and fingerprint ink and powder from the United States to Hong Kong through Italy without the required license.
2. *25 Violations of 15 C.F.R. §764.2(a) - Exporting Fingerprint Imaging Equipment without the Required Licenses:* On 25 occasions, between on or about September 29, 2000 and on or about March 31, 2004, Carrington engaged in conduct prohibited by the Regulations by exporting or causing to be exported fingerprint imaging equipment, items classified under ECCN 3A981, to Hong Kong through Italy without the licenses required by Section 742.7 of the Regulations.
3. *25 Violations of 15 C.F.R. § 764.2(e) - Selling Fingerprint Imaging Equipment with Knowledge of a Violation of the Regulations:* On the same 25 occasions described above, Carrington sold fingerprint imaging equipment, items classified under ECCN 3A981, to Hong Kong through Italy with knowledge that a violation

of the Regulations was about to occur in connection with the items. At all times relevant hereto, Carrington knew or should have known that a Department of Commerce license was required to export the fingerprint imaging equipment and Carrington sold the items knowing that the required license had not or would not be obtained.

4. *25 Violations of 15 C.F.R. §764.2(h) - Taking Actions with Intent to Evade the Regulations:* On the same 25 occasions described above, Carrington took actions with the intention of evading the Regulations. Specifically, Carrington sold and shipped fingerprint imaging equipment to a distributor in Italy for transshipment to Hong Kong with the intent of evading the license requirements of Section 742.7 of the Regulations. This was done to conceal the ultimate destination of the items.
5. *25 Violations of 15 C.F.R. §764.2(g) - False Statements of Fact on Export Control Documents:* On the same 25 occasions described above, Carrington filed or caused to be filed Shippers' Export Declarations ("SEDs"), export control documents as defined in Section 772.1 of the Regulations, with the U.S. Government through the Automated Export System ("AES") stating that no license was required for the exports. These statements were false because, as described in charges 2-26, licenses were required for the export of fingerprint imaging equipment to Hong Kong.
6. *Nine Violations of 15 C.F.R. § 764.2(a) -Exporting Fingerprint Ink and Powder without the Required Licenses:* On nine occasions, between on or about April 14, 2001 and on or about March 2, 2004, Carrington engaged in conduct prohibited by the Regulations by exporting or causing to be exported fingerprint ink and

powder, items classified under ECCN 1A985, to Hong Kong through Italy without the licenses required by Section 742.7 of the Regulations.

7. *Nine Violations of 15 C.F.R. §764.2(e) - Selling Fingerprint Ink and Powder with Knowledge of a Violation of the Regulations:* On the same nine occasions described above, Carrington sold fingerprint ink and powder, items classified under ECCN 1A985, to Hong Kong through Italy with knowledge that a violation of the Regulations was about to occur in connection with the items. At all times relevant hereto, Carrington knew or should have known that a Department of Commerce license was required to export the fingerprint ink and powder and Carrington sold the items knowing that the required license had not or would not be obtained.
8. *Nine Violation of 15 C.F.R. §764.2(h) - Taking Actions with Intent to Evade the Regulations:* On the same nine occasions described above, Carrington took actions with the intention of evading the Regulations. Specifically, Carrington sold and shipped fingerprint ink and powder to a distributor in Italy for transshipment to Hong Kong with the intent of evading the license requirements of Section 742.7 of the Regulations. This was done to conceal the ultimate destination of the items.
9. *One Violation of 15 C.F.R. §764.2(g) - False Statement of Fact on Export Control Document:* On one of the nine occasions described above, Carrington filed or caused to be filed a SED, an export control document as defined in Section 772.1 of the Regulations, with the U.S. Government through the Automated Export System ("AES") stating that no license was required for the export. This

statement was false because, a license was required for the export of fingerprint ink and powder to Hong Kong.

10. *20 Violations of 15 C.F.R. §764.2(a) - Exporting Fingerprint Imaging Equipment and Fingerprint Powder without the Required License:* On 20 occasions, between on or about November 8, 2000 and on or about January 20, 2004, Carrington engaged in conduct prohibited by the Regulations by exporting or causing to be exported fingerprint imaging equipment or fingerprint powder, items classified under ECCNs 3A981 or 1A985 respectively, to Hong Kong without the licenses required by Section 742.7 of the Regulations.
11. *20 Violations of 15 C.F.R. §764.2(e) - Selling Fingerprint Imaging Equipment and Fingerprint Powder without the Required License:* On the same 20 occasions described above, Carrington sold fingerprint imaging equipment or fingerprint powder, items classified under ECCNs 3A981 or 1A985 respectively, to Hong Kong with knowledge that a violation of the Regulations was about to occur in connection with the items. At all times relevant hereto, Carrington knew or should have known that a Department of Commerce license was required to export the fingerprint imaging equipment and sold the items knowing that the required license had not or would not be obtained.
12. *12 Violations of 15 C.F.R. § 764.2(g) - False Statements of Fact on Export Control Documents:* On 12 of the 20 occasions described above, Carrington filed or caused to be filed SEDs, export control documents as defined in Section 772.1 of the Regulations, with the U.S. Government through the Automated Export System ("AES") stating that no license was required for the export. These statements were false because, as described in charges 130-149, licenses were required for the export of fingerprint imaging equipment to Hong Kong.

WHEREAS, BIS and Carrington have 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 such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, for a period five years from the date of entry of the Order, John H. Carrington, 2316 Wakefield Plantation Drive, Raleigh, North Carolina 27614, and when acting for or on behalf of Carrington, his representatives, agents, assigns, or employees ("Denied Person") 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.

SECOND, 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 which 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.

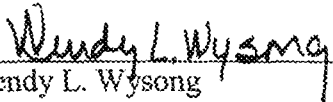
THIRD, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to Carrington by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also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

FOURTH, 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.

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

SIXTH, that this Order shall be served on the Denied Person and shall be published in the Federal Register.

This Order, which constitutes the final agency action in this matter, is effective upon publication in the Federal Register.

  
Wendy L. Wysong  
Deputy Assistant Secretary of Commerce  
for Export Enforcement

Entered this 22d day of September 2005.



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

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In the Matter of: )  
 )  
John H. Carrington )  
2316 Wakefield Plantation Drive )  
Raleigh, North Carolina 27614 )  
 )  
Respondent )  
.....

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between John H. Carrington ("Carrington"), as former President of Sirchie Fingerprint Laboratories, Inc., in his individual capacity, 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"),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act"),<sup>2</sup>

.....  
<sup>1</sup> The violations charged occurred from 1999 through 2004. The Regulations governing the violations at issue are found in the 1999 through 2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2004)). The 2005 Regulations establish the procedures that apply to this matter.

<sup>2</sup> 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. 45273 (August 5, 2005)), has continued the Regulations in effect under IEEPA.

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

WHEREAS, BIS has issued a proposed charging letter to Carrington that alleged that Carrington committed 181 violations of the Regulations, specifically:

1. *One Violation of 15 C.F.R. §764.2(d) - Conspiracy to Violate the Regulations:*

Beginning in or about September 2000 and continuing through in or about March 2004, Carrington conspired and acted in concert with others, known and unknown, to do or bring about an act that violates the Regulations. The purpose of the conspiracy was to export fingerprint imaging equipment and fingerprint ink and powder, items subject to the Regulations, from the United States to the Hong Kong Special Administrative Region ("Hong Kong") through Italy without the U.S. Department of Commerce licenses required by Section 742.7 of the Regulations. Fingerprint imaging equipment is classified under Export Control Classification Number ("ECCN") 3A981, and fingerprint ink and powder is classified under ECCN 1A985. Carrington and its co-conspirators took acts in furtherance of the conspiracy by exporting fingerprint imaging equipment and fingerprint ink and powder from the United States to Hong Kong through Italy without the required license.

2. *25 Violations of 15 C.F.R. §764.2(a) - Exporting Fingerprint Imaging Equipment without the Required Licenses:* On 25 occasions, between on or about September 29, 2000 and on or about March 31, 2004, Carrington engaged in conduct

prohibited by the Regulations by exporting or causing to be exported fingerprint imaging equipment, items classified under ECCN 3A981, to Hong Kong through Italy without the licenses required by Section 742.7 of the Regulations.

3. *25 Violations of 15 C.F.R. § 764.2(e) - Selling Fingerprint Imaging Equipment with Knowledge of a Violation of the Regulations:* On the same 25 occasions described above, Carrington sold fingerprint imaging equipment, items classified under ECCN 3A981, to Hong Kong through Italy with knowledge that a violation of the Regulations was about to occur in connection with the items. At all times relevant hereto, Carrington knew or should have known that a Department of Commerce license was required to export the fingerprint imaging equipment and Carrington sold the items knowing that the required license had not or would not be obtained.
4. *25 Violations of 15 C.F.R. §764.2(h) - Taking Actions with Intent to Evade the Regulations:* On the same 25 occasions described above, Carrington took actions with the intention of evading the Regulations. Specifically, Carrington sold and shipped fingerprint imaging equipment to a distributor in Italy for transshipment to Hong Kong with the intent of evading the license requirements of Section 742.7 of the Regulations. This was done to conceal the ultimate destination of the items.
5. *25 Violations of 15 C.F.R. §764.2(g) - False Statements of Fact on Export Control Documents:* On the same 25 occasions described above, Carrington filed

or caused to be filed Shippers' Export Declarations ("SEDs"), export control documents as defined in Section 772.1 of the Regulations, with the U.S. Government through the Automated Export System ("AES") stating that no license was required for the exports. These statements were false because, as described in charges 2-26, licenses were required for the export of fingerprint imaging equipment to Hong Kong.

6. *Nine Violations of 15 C.F.R. § 764.2(a) -Exporting Fingerprint Ink and Powder without the Required Licenses:* On nine occasions, between on or about April 14, 2001 and on or about March 2, 2004, Carrington engaged in conduct prohibited by the Regulations by exporting or causing to be exported fingerprint ink and powder, items classified under ECCN 1A985, to Hong Kong through Italy without the licenses required by Section 742.7 of the Regulations.
7. *Nine Violations of 15 C.F.R. §764.2(e) - Selling Fingerprint Ink and Powder with Knowledge of a Violation of the Regulations:* On the same nine occasions described above, Carrington sold fingerprint ink and powder, items classified under ECCN 1A985, to Hong Kong through Italy with knowledge that a violation of the Regulations was about to occur in connection with the items. At all times relevant hereto, Carrington knew or should have known that a Department of Commerce license was required to export the fingerprint ink and powder and Carrington sold the items knowing that the required license had not or would not be obtained.

8. *Nine Violation of 15 C.F.R. §764.2(h) - Taking Actions with Intent to Evade the Regulations:* On the same nine occasions described above, Carrington took actions with the intention of evading the Regulations. Specifically, Carrington sold and shipped fingerprint ink and powder to a distributor in Italy for transshipment to Hong Kong with the intent of evading the license requirements of Section 742.7 of the Regulations. This was done to conceal the ultimate destination of the items.
9. *One Violation of 15 C.F.R. §764.2(g) - False Statement of Fact on Export Control Document:* On one of the nine occasions described above, Carrington filed or caused to be filed a SED, an export control document as defined in Section 772.1 of the Regulations, with the U.S. Government through the Automated Export System ("AES") stating that no license was required for the export. This statement was false because, a license was required for the export of fingerprint ink and powder to Hong Kong.
10. *20 Violations of 15 C.F.R. §764.2(a) - Exporting Fingerprint Imaging Equipment and Fingerprint Powder without the Required License:* On 20 occasions, between on or about November 8, 2000 and on or about January 20, 2004, Carrington engaged in conduct prohibited by the Regulations by exporting or causing to be exported fingerprint imaging equipment or fingerprint powder, items classified under ECCNs 3A981 or 1A985 respectively, to Hong Kong without the licenses required by Section 742.7 of the Regulations.

11. *20 Violations of 15 C.F.R. §764.2(e) - Selling Fingerprint Imaging Equipment and Fingerprint Powder without the Required License:* On the same 20 occasions described above, Carrington sold fingerprint imaging equipment or fingerprint powder, items classified under ECCNs 3A981 or 1A985 respectively, to Hong Kong with knowledge that a violation of the Regulations was about to occur in connection with the items. At all times relevant hereto, Carrington knew or should have known that a Department of Commerce license was required to export the fingerprint imaging equipment and sold the items knowing that the required license had not or would not be obtained.
12. *12 Violations of 15 C.F.R. § 764.2(g) - False Statements of Fact on Export Control Documents:* On 12 of the 20 occasions described above, Carrington filed or caused to be filed SEDs, export control documents as defined in Section 772.1 of the Regulations, with the U.S. Government through the Automated Export System ("AES") stating that no license was required for the export. These statements were false because, as described in charges 130-149, licenses were required for the export of fingerprint imaging equipment to Hong Kong.

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

WHEREAS, Carrington fully understands the terms of this Agreement and the Order ("Order") that the Assistant Secretary of Commerce for Export Enforcement will issue if she approves this Agreement as the final resolution of this matter;

WHEREAS, Carrington enters into this Agreement voluntarily and with full knowledge of his rights;

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Carrington, under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. The following sanctions shall be imposed against Carrington in complete settlement of the violations of the Regulations set forth in the proposed charging letter:
  - a. For a period five years from the date of entry of the Order, and, when acting for or on behalf of Carrington, his representatives, agents, assigns, or employees ("Denied Person") 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:

- 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.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Carrington 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 the proposed 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, BIS will not initiate any further administrative proceeding against Carrington in connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed charging letter.



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.

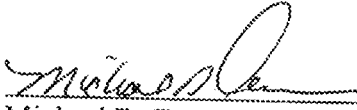
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

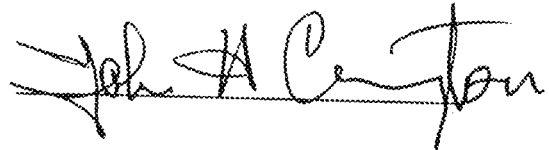
8. This Agreement shall become binding on BIS only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

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

JOHN H. CARRINGTON

  
\_\_\_\_\_  
Michael D. Turner  
Director  
Office of Export Enforcement

  
\_\_\_\_\_

Date: 9/2/05

Date: SEPT 19, 2005

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

John H. Carrington  
2316 Wakefield Plantation Drive  
Raleigh, North Carolina 27614

Attention: *John H. Carrington*

Dear Mr. Carrington:

The Bureau of Industry and Security, United States Department of Commerce ("BIS"), has reason to believe that John H. Carrington ("Carrington") as president of Sirchie Fingerprint Laboratories, Inc., in your individual capacity, has committed 181 violations of the Export Administration Regulations (the "Regulations"),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979 (the "Act").<sup>2</sup> Specifically, BIS charges that Carrington committed the following violations:

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2004). The violations charged occurred from 1999 through 2004. The Regulations governing the violations at issue are found in the 1999 - 2004 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2004)). The 2004 Regulations govern the procedural aspects of this case.

<sup>2</sup> 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 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 by Pub. L. No. 106-508 and it remained in effect through August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp., p. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 6, 2004 (69 *Fed. Reg.* 48763 (Aug. 10, 2004)), continues the Regulations in effect under IEEPA.

**Charge 1 (15 C.F.R. § 764.2(d) - Conspiracy to Violate the Regulations)**

Beginning in or about September 2000 and continuing through in or about March 2004, Carrington conspired and acted in concert with others, known and unknown, to do or bring about an act that violates the Regulations. The purpose of the conspiracy was to export fingerprint imaging equipment and fingerprint powder, items subject to the Regulations, from the United States to Hong Kong through Italy without the U.S. Department of Commerce licenses required by Section 742.7 of the Regulations. Fingerprint imaging equipment is classified under Export Control Classification Number ("ECCN") 3A981, and fingerprint ink and dye is classified under ECCN 1A985. Carrington and its co-conspirators took acts in furtherance of the conspiracy by exporting fingerprint imaging equipment and fingerprint powder from the United States to Hong Kong through Italy without the required license. In so doing, Carrington committed one violation of Section 764.2(d) of the Regulations.

**Charges 2-26 (15 C.F.R. § 764.2(a) - Exporting Fingerprint Imaging Equipment without the Required Licenses)**

On 25 occasions, between on or about September 29, 2000 and on or about March 31, 2004, Carrington engaged in conduct prohibited by the Regulations by exporting or causing to be exported fingerprint imaging equipment, items classified under ECCN 3A981, to Hong Kong through Italy without the licenses required by Section 742.7 of the Regulations. See Schedule A, which is enclosed herewith and incorporated herein by reference. In so doing, Carrington committed 25 violations of Section 764.2(a) of the Regulations.

**Charges 27-51 (15 C.F.R. § 764.2(e) - Selling Fingerprint Imaging Equipment with Knowledge of a Violation of the Regulations)**

On the same 25 occasions described in charges 2-26 above, Carrington sold fingerprint imaging equipment, items classified under ECCN 3A981, to Hong Kong through Italy with knowledge that a violation of the Regulations was about to occur in connection with the items. At all times relevant hereto, Carrington knew or should have known that a Department of Commerce license was required to export the fingerprint imaging equipment and Carrington sold the items knowing that the required license had not or would not be obtained. See Schedule A, which is enclosed herewith and incorporated herein by reference. In so doing, Carrington committed 25 violations of Section 764.2(e) of the Regulations.

**Charges 52-76 (15 C.F.R. § 764.2(h) - Taking Actions with Intent to Evade the Regulations)**

On the same 25 occasions described in charges 2-26 above, Carrington took actions with the intention of evading the Regulations. Specifically, Carrington sold and shipped fingerprint imaging equipment to a distributor in Italy for transshipment to Hong Kong with the intent of evading the license requirements of Section 742.7 of the Regulations. This was done to conceal the ultimate destination of the items. See Schedule A, which is enclosed herewith and incorporated herein by reference. In so doing, Carrington committed 25 violations of Section 764.2(h) of the Regulations.

**Charges 77-101 (15 C.F.R. § 764.2(g) - False Statements of Fact on Export Control Documents)**

On the same 25 occasions described in charges 2-26 above, Carrington filed or caused to be filed Shippers' Export Declarations ("SEDs"), export control documents as defined in Section 772.1 of the Regulations, with the U.S. Government through the Automated Export System ("AES") stating that no license was required for the exports. These statements were false because, as described in charges 2-26, licenses were required for the export of fingerprint imaging equipment to Hong Kong. See Schedule A, which is enclosed herewith and incorporated herein by reference. In so doing, Carrington committed 25 violations of Section 764.2(g) of the Regulations.

**Charges 102-110 (15 C.F.R. § 764.2(a) - Exporting Fingerprint Ink and Powder without the Required Licenses)**

On nine occasions, between on or about April 14, 2001 and on or about March 2, 2004, Carrington engaged in conduct prohibited by the Regulations by exporting or causing to be exported fingerprint ink and powder, items classified under ECCN 1A985, to Hong Kong through Italy without the licenses required by Section 742.7 of the Regulations. See Schedule B, which is enclosed herewith and incorporated herein by reference. In so doing, Carrington committed nine violations of Section 764.2(a) of the Regulations.

**Charges 111-119 (15 C.F.R. § 764.2(e) - Selling Fingerprint Ink and Powder with Knowledge of a Violation of the Regulations)**

On the same nine occasions described in charges 102-110 above, Carrington sold fingerprint ink and powder, items classified under ECCN 1A985, to Hong Kong through Italy with knowledge that a violation of the Regulations was about to occur in connection with the items. At all times relevant hereto, Carrington knew or should have known that a Department of Commerce license was required to export the fingerprint ink and powder and Carrington sold the items knowing that the required license had not or would not be obtained. See Schedule B, which is enclosed herewith and incorporated herein by reference. In so doing, Carrington committed nine violations of Section 764.2(e) of the Regulations.

**Charges 120-128 (15 C.F.R. § 764.2(h) - Taking Actions with Intent to Evade the Regulations)**

On the same nine occasions described in charges 102-110 above, Carrington took actions with the intention of evading the Regulations. Specifically, Carrington sold and shipped fingerprint ink and powder to a distributor in Italy for transshipment to Hong Kong with the intent of evading the license requirements of Section 742.7 of the Regulations. This was done to conceal the ultimate destination of the items. *See* Schedule B, which is enclosed herewith and incorporated herein by reference. In so doing, Carrington committed nine violations of Section 764.2(h) of the Regulations.

**Charge 129 (15 C.F.R. § 764.2(g) - False Statement of Fact on Export Control Document)**

On one of the nine occasions described in charges 102-110 above, Carrington filed or caused to be filed a SED, an export control document as defined in Section 772.1 of the Regulations, with the U.S. Government through the Automated Export System ("AES") stating that no license was required for the export. This statement was false because, as described in charges 102-110, licenses were required for the export of fingerprint imaging equipment to Hong Kong. *See* Schedule B, which is enclosed herewith and incorporated herein by reference. In so doing, Carrington committed one violation of Section 764.2(g) of the Regulations.

**Charges 130-149 (15 C.F.R. § 764.2(a) - Exporting Fingerprint Imaging Equipment and Fingerprint Powder without the Required Licenses)**

On 20 occasions, between on or about November 8, 2000 and on or about January 20, 2004, Carrington engaged in conduct prohibited by the Regulations by exporting or causing to be exported fingerprint imaging equipment or fingerprint powder, items classified under ECCNs 3A981 or 1A985 respectively, to Hong Kong without the licenses required by Section 742.7 of the Regulations. *See* Schedule C, which is enclosed herewith and incorporated herein by reference. In so doing, Carrington committed 20 violations of Section 764.2(a) of the Regulations.

**Charges 150-169 (15 C.F.R. § 764.2(e) - Selling Fingerprint Imaging Equipment with Knowledge of a Violation of the Regulations)**

On the same 20 occasions described in charges 130-149 above, Carrington sold fingerprint imaging equipment or fingerprint powder, items classified under ECCNs 3A981 or 1A985 respectively, to Hong Kong with knowledge that a violation of the Regulations was about to occur in connection with the items. At all times relevant hereto, Carrington knew or should have known that a Department of Commerce license was required to export the fingerprint imaging equipment and sold the items knowing that the required license had not or would not be obtained. *See* Schedule C, which is enclosed herewith and incorporated herein by reference. In so doing, Carrington committed 20 violations of Section 764.2(e) of the Regulations.

**Charges 170-181 (15 C.F.R. § 764.2(g) - False Statements of Fact on Export Control Documents)**

On 12 of the 20 occasions described in charges 130-149 above, Carrington filed or caused to be filed SEDs, export control documents as defined in Section 772.1 of the Regulations, with the U.S. Government through the Automated Export System ("AES") stating that no license was required for the export. These statements were false because, as described in charges 130-149, licenses were required for the export of fingerprint imaging equipment to Hong Kong. See Schedule C, which is enclosed herewith and incorporated herein by reference. In so doing, Carrington committed 12 violations of Section 764.2(g) of the Regulations.

Accordingly, Carrington is hereby notified that an administrative proceeding is instituted against him pursuant to Section 13(e) 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 up to \$11,000 per violation;<sup>3</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Carrington 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 Carrington defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Carrington. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

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

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

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Carrington's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

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<sup>3</sup> See 15 C.F.R. § 6.4(a)(2).

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Proposed Charging Letter  
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U.S. Coast Guard ALJ Docketing Center  
40 S. Gay Street  
Baltimore, Maryland 21202-4022

In addition, a copy of Carrington's answer must be served on BIS at the following address:

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

Peter R. Klason is the attorney representing BIS in this case; any communications that Carrington may wish to have concerning this matter should occur through him. He may be contacted by telephone at (202) 482-5301.

Sincerely,

Acting Director  
Office of Export Enforcement

Enclosures



## SCHEDULE A

### Exports of Fingerprint Imaging Equipment to Hong Kong Through Italy

CHARGE NUMBERS	DATE OF VIOLATION	DESTINATION	COMMODITY EXPORTED	ECCN	VALUE	VIOLATIONS CHARGED (15 C.F.R.)
2, 27, 52, 77	9/29/00	Hong Kong	Krimesite Scope Kits	3A981	\$31,880.00	§ 764.2(a), (e), (h), (g)
3, 28, 53, 78	10/4/00	Hong Kong	Krimesite Scope Kits	3A981	\$47,523.33	§ 764.2(a), (e), (h), (g)
4, 29, 54, 79	11/1/00	Hong Kong	UV lens for Krimesite Scope, UV filters for Krimesite Scope	3A981	\$4,591.00	§ 764.2(a), (e), (h), (g)
5, 30, 55, 80	11/28/00	Hong Kong	Krimesite Scope Kits, UV filters for Krimesite Scope	3A981	\$26,725.00	§ 764.2(a), (e), (h), (g)
6, 31, 56, 81	1/10/01	Hong Kong	Krimesite Scope Kits, UV filters for Krimesite Scope	3A981	\$34,974.00	§ 764.2(a), (e), (h), (g)
7, 32, 57, 82	3/1/01	Hong Kong	Krimesite Scope Kits	3A981	\$33,492.00	§ 764.2(a), (e), (h), (g)
8, 33, 58, 83	4/12/01	Hong Kong	Krimesite Scope Kits	3A981	\$40,200.00	§ 764.2(a), (e), (h), (g)
9, 34, 59, 84	4/17/01	Hong Kong	Krimesite Scope Kits	3A981	\$31,880.00	§ 764.2(a),(e), (h), (g)
10, 35, 60, 85	7/2/01	Hong Kong	Krimesite Scope Kits	3A981	\$95,640.00	§ 764.2(a), (e), (h), (g)
11, 36, 61, 86	8/3/01	Hong Kong	Krimesite Scope Kits	3A981	\$51,940.04	§ 764.2(a), (e), (h), (g)
12, 37, 62, 87	9/24/01	Hong Kong	Krimesite Scope Kits	3A981	\$47,167.35	§ 764.2(a), (e), (h), (g)
13, 38, 63, 88	11/9/01	Hong Kong	Krimesite Scope Kits	3A981	\$89,640.00	§ 764.2(a), (e), (h), (g)
14, 39, 64, 89	2/8/02	Hong Kong	Krimesite Scope Kits	3A981	\$136,320.00	§ 764.2(a), (e), (h), (g)
15, 40, 65, 90	3/8/02	Hong Kong	Krimesite Scope Kits	3A981	\$44,920.00	§ 764.2(a), (e), (h), (g)
16, 41, 66, 91	5/1/02	Hong Kong	Krimesite Scope Kits	3A981	\$53,712.25	§ 764.2(a), (e), (h), (g)
17, 42, 67, 92	8/5/02	Hong Kong	Scan-N-Find Imagers	3A981	\$39,000.00	§ 764.2(a), (e), (h), (g)
18, 43, 68, 93	9/27/02	Hong Kong	Krimesite Scope Kits	3A981	\$53,712.25	§ 764.2(a), (e), (h), (g)

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19, 44, 69, 94	12/2/02	Hong Kong	Krimesite Scope Kits, Scan-N-Find Imager	3A981	\$21,075.00	§ 764.2(a), (e), (h), (g)
20, 45, 70, 95	12/19/02	Hong Kong	Krimesite Scope Kits	3A981	\$53,712.25	§ 764.2(a), (e), (h), (g)
21, 46, 71, 96	1/30/03	Hong Kong	Scan-N-Find Imagers	3A981	\$50,280.00	§ 764.2(a), (e), (h), (g)
22, 47, 72, 97	5/1/03	Hong Kong	Scan-N-Find Imagers	3A981	\$68,400.00	§ 764.2(a), (e), (h), (g)
23, 48, 73, 98	5/29/03	Hong Kong	Krimesite Scope Kits	3A981	\$64,454.70	§ 764.2(a), (e), (h), (g)
24, 49, 74, 99	9/23/03	Hong Kong	Krimesite Scope Kits	3A981	\$23,400.00	§ 764.2(a), (e), (h), (g)
25, 50, 75, 100	12/2/03	Hong Kong	Krimesite Scope Kits	3A981	\$107,384.50	§ 764.2(a), (e), (h), (g)
26, 51, 76, 101	3/31/04	Hong Kong	Krimesite Scope Kit, Scan-N-Find Imagers	3A981	\$32,800.00	§ 764.2(a), (e), (h), (g)

## SCHEDULE B

### Exports of Fingerprint Ink and Powder to Hong Kong Through Italy

CHARGE NUMBERS	DATE OF VIOLATION	DESTINATION	COMMODITY EXPORTED	ECCN	VALUE	VIOLATIONS CHARGED (15 C.F.R. )
102, 111, 120	4/14/01	Hong Kong	Fingerprint Powder	1A985	\$ 984.00	§ 764.2(a), (e), (h)
103, 112, 121	12/6/01	Hong Kong	Dye Powder	1A985	\$ 165.80	§ 764.2(a), (e), (h)
104, 113, 122, 129	3/6/02	Hong Kong	Fingerprint Powder	1A985	\$ 2,998.00	§ 764.2(a), (e), (h), (g)
105, 114, 123	6/11/02	Hong Kong	Fingerprint Powder	1A985	\$ 1,524.80	§ 764.2(a), (e), (h)
106, 115, 124	6/28/02	Hong Kong	Fingerprint Ink Tubes	1A985	\$ 1,300.00	§ 764.2(a), (e), (h)
107, 116, 125	9/27/02	Hong Kong	Fingerprint Powder	1A985	\$ 400.90	§ 764.2(a), (e), (h)
108, 117, 126	6/24/03	Hong Kong	Fingerprint Powder	1A985	\$ 702.22	§ 764.2(a), (e), (h)
109, 118, 127	9/17/03	Hong Kong	Fingerprint Powder	1A985	\$ 5,248.25	§ 764.2(a), (e), (h)
110, 119, 128	3/2/04	Hong Kong	Fingerprint Powder	1A985	\$ 2,371.60	§ 764.2(a), (e), (h)

## SCHEDULE C

### Exports Directly to Hong Kong

CHARGE NUMBERS	DATE OF VIOLATION	DESTINATION	COMMODITY EXPORTED	ECCN	VALUE	VIOLATIONS CHARGED (15 C.F.R.)
130, 150	11/8/00	Hong Kong	UV Filters for Krimesite Scope	3A981	\$ 1,428.00	§ 764.2(a), (e)
131, 151	9/11/01	Hong Kong	Fingerprint Kits	1A985	\$ 346.38	§ 764.2(a), (e)
132, 152, 170	11/5/01	Hong Kong	Fingerprint Kits	1A985	\$ 577.30	§ 764.2(a), (e), (g)
133, 153, 171	3/12/02	Hong Kong	Fingerprint Powders	1A985	\$ 6,217.20	§ 764.2(a), (e), (g)
134, 154, 172	6/4/02	Hong Kong	UV Lenses for Krimesite Scopes	3A981	\$ 6,980.00	§ 764.2(a), (e), (g)
135, 155	10/21/02	Hong Kong	Fingerprint Powder	1A985	\$ 263.60	§ 764.2(a), (e)
136, 156, 173	1/9/03	Hong Kong	UV Lenses for Krimesite Scope	3A981	\$52,000.00	§ 764.2(a), (e), (g)
137, 157, 174	1/14/03	Hong Kong	Forensic Comparators	3A981	\$11,500.00	§ 764.2(a), (e), (g)
138, 158, 175	1/22/03	Hong Kong	UV Lenses for Krimesite Scope	3A981	\$22,680.00	§ 764.2(a), (e), (g)
139, 159, 176	2/18/03	Hong Kong	Fingerprint Powder	1A985	\$ 4,385.42	§ 764.2(a), (e), (g)
140, 160, 177	3/26/03	Hong Kong	UV Lenses for Krimesite Scope	3A981	\$22,800.00	§ 764.2(a), (e), (g)
141, 161	4/30/03	Hong Kong	Fingerprint Powder	1A985	\$ 1,870.20	§ 764.2(a), (e)
142, 162	5/6/03	Hong Kong	Fingerprint Powder	1A985	\$ 9,423.11	§ 764.2(a), (e)
143, 163, 178	5/7/03	Hong Kong	Filter for Krimesite Scope	3A981	\$ 260.00	§ 764.2(a), (e), (g)
144, 164	9/30/03	Hong Kong	Fingerprint Powder	1A985	\$ 1,151.35	§ 764.2(a), (e)

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145, 165	10/30/03	Hong Kong	Fingerprint Ink Tubes	1A985	\$ 951.60	§ 764.2(a), (e)
146, 166, 179	12/3/03	Hong Kong	UV Lenses for Krimesite Scope	3A981	\$11,175.00	§ 764.2(a), (e), (g)
147, 167	12/12/03	Hong Kong	Ink Strips	1A985	\$ 115.20	§ 764.2(a), (e)
148, 168, 180	12/22/03	Hong Kong	Fingerprint Kits	1A985	\$ 2,309.20	§ 764.2(a), (e), (g)
149, 169, 181	1/20/04	Hong Kong	UV Lenses for Krimesite Scope	3A981	\$ 2,590.00	§ 764.2(a), (e), (g)