

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

\_\_\_\_\_  
In the Matter of: )  
 )  
DHL Holdings (USA), Inc. )  
1200 South Pine Island Road )  
Suite 600 )  
Plantation, FL 33324 )  
 )  
Respondent )  
\_\_\_\_\_

ORDER RELATING TO DHL WORLDWIDE EXPRESS

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified DHL Holdings (USA), Inc. (“DHL”) of its intention to initiate an administrative proceeding against DHL 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(c) 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 to DHL that alleged that DHL committed three violations of the Regulations. Specifically, the charges are:

1. *Three Violations of 15 C.F.R. § 764.2 (k)*- On or about September 17, 2001, October 22, 2001 and October 26, 2001, DHL took actions prohibited by a BIS

---

<sup>1</sup> The charged violations occurred in 2001. The Regulations governing the violations at issue are found in the 2001 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001)). The 2005 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 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 International Emergency Economic Powers Act.

order denying export privileges under the Regulations (“Temporary Denial Order”) of Infocom Corporation (and of its related affiliates and parties including Tetrabal Corporation and Mr. Ihsan Elashi) by participating in transactions subject to the Regulations involving the export of commodities from the United States. Specifically, DHL accepted, transferred and forwarded certain commodities, including a strobe, networking equipment and printers, items subject to the Regulations, from the United States to Al Bassam International/Al Bassam Datacom in Saudi Arabia, on behalf of Tetrabal Corporation and Mr. Ihsan Elashi of Richardson, Texas. At the time of these shipments, Tetrabal and Elashi had been denied export privileges under the Regulations by the Temporary Denial Order dated September 6, 2001, and published in the *Federal Register* on September 13, 2001 (66 Fed. Reg. 47630 - 47632). That Temporary Denial Order was effective for 180 days and was in force at the time of the aforementioned violations.

WHEREAS, BIS and DHL 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 of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$18,000 is assessed against DHL, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (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, DHL 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 DHL. Accordingly, if DHL should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of DHL'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.

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

Entered this 5th day of October 2005.

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

\_\_\_\_\_  
In the Matter of:

DHL Holdings (USA), Inc.  
1200 South Pine Island Road  
Suite 600  
Plantation, FL 33324

\_\_\_\_\_  
Respondent )  
\_\_\_\_\_ )

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between DHL Holdings (USA), Inc. (hereafter “DHL”) of Plantation, Florida, 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>

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

\_\_\_\_\_  
<sup>1</sup> The charged violations occurred in 2001. The Regulations governing the violations at issue are found in the 2001 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001)). The 2005 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 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 International Emergency Economic Powers Act.

WHEREAS, BIS has issued a proposed charging letter to DHL that alleged that DHI committed three violations of the Regulations, specifically

*Three Violations of 15 C.F.R. § 764.2 (k)*- On or about September 17, 2001, October 22, 2001 and October 26, 2001, DHL took actions prohibited by a BIS order denying export privileges under the Regulations (“Temporary Denial Order”) of Infocom Corporation (and of its related affiliates and parties including Tetrabal Corporation and Mr. Ihsan Elashi) by participating in transactions subject to the Regulations involving the export of commodities from the United States. Specifically, DHL accepted, transferred and forwarded certain commodities, including a strobe, networking equipment and printers, items subject to the Regulations, from the United States to Al Bassam International/Al Bassam Datacom in Saudi Arabia, on behalf of Tetrabal Corporation and Mr. Ihsan Elashi of Richardson, Texas. At the time of these shipments, Tetrabal and Elashi had been denied export privileges under the Regulations by the Temporary Denial Order dated September 6, 2001, and published in the *Federal Register* on September 13, 2001 (66 Fed. Reg. 47630 - 47632). That Temporary Denial Order was effective for 180 days and was in force at the time of the aforementioned violations.

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

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

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

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

2. The following sanction shall be imposed against DHL in complete settlement of the violations of the Regulations committed by DHL set forth in the proposed charging letter:

- a. DHL shall be assessed a civil penalty in the amount of \$18,000 which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order.
- 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, permission, or privilege granted, or to be granted, to DHL. Failure to make timely payment of the civil penalty set forth above shall result in the denial of all of DHL'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, DHL 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 \$18,000 civil penalty, BIS will not initiate any further administrative proceeding against DHL 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.

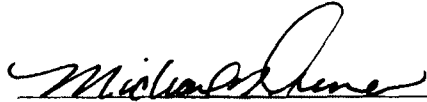
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial 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.

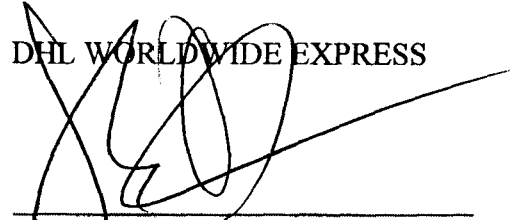
BUREAU OF INDUSTRY AND SECURITY  
U.S. DEPARTMENT OF COMMERCE



Michael D. Turner  
Director  
Office of Export Enforcement

Date: 10/4/05

DHL WORLDWIDE EXPRESS



Jon E. Olin  
Exec. Vice Pres., General Counsel & Secretary  
DHL Holdings (USA), Inc.

Date: 9/21/05  
ET

PROPOSED CHARGING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Mr. Jon E. Olin  
Exec. Vice Pres., General Counsel & Secretary  
DHL Holdings (USA), Inc.  
1200 South Pine Island Road  
Suite 600  
Plantation, FL 33324

Dear Mr. Olin:

The Bureau of Industry and Security, United States Department of Commerce ("BIS"), has reason to believe that DHL Holdings (USA), Inc. (hereafter "DHL") of Plantation, Florida, has committed three 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 DHL committed the following violations:

**Charges 1-3                      Unauthorized Exports on Behalf of Denied Persons: 15 C.F.R. § 764.2 (k)**

On or about September 17, 2001, October 22, 2001 and October 26, 2001, DHL took actions prohibited by a BIS<sup>3</sup> order denying export privileges under the Regulations ("Temporary Denial Order") of Infocom Corporation (and of its related affiliates and parties including Tetrabal

---

<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2005). The charged violations occurred in 2001. The Regulations governing the violations at issue are found in the 2001 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001)). The 2005 Regulations set forth the procedures that apply to this matter.

<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, itself, 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 (114 Stat. 2360 (2000)) and it remained in effect through August 20, 2001. 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.

<sup>3</sup>On April 26, 2002, the Bureau of Export Administration changed its name to the Bureau of Industry and Security ("BIS"). 67 Fed. Reg. 20630 (Apr. 26, 2002).

Corporation and Mr. Ihsan Elashi) by participating in transactions subject to the Regulations involving the export of commodities from the United States. Specifically, DHL accepted, transferred and forwarded certain commodities, including a strobe, networking equipment and printers, items subject to the Regulations, from the United States to Al Bassam International/Al Bassam Datacom in Saudi Arabia, on behalf of Tetrabal Corporation and Mr. Ihsan Elashi of Richardson, Texas. At the time of these shipments, Tetrabal and Elashi had been denied export privileges under the Regulations by the Temporary Denial Order dated September 6, 2001, and published in the *Federal Register* on September 13, 2001 (66 Fed. Reg. 47630 - 47632). That Temporary Denial Order was effective for 180 days and was in force at the time of the aforementioned violations. In taking actions prohibited by the Temporary Denial Order, DHL committed three violations of Section 764.2 (k) of the Regulations.

\* \* \* \*

Accordingly, DHL 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 \$11,000 per violation;<sup>4</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

If DHL 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. *See* 15 C.F.R. §§ 766.6 and 766.7. If DHL defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to DHL. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for each of the charges in this letter.

DHL is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. *See* 15 C.F.R. § 766.6. DHL is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. *See* 15 C.F.R. §§ 766.3(a) and 766.4.

---

<sup>4</sup> *See* 15 C.F.R. § 6.4(a)(2).

DHL  
Proposed Charging Letter  
Page 3 of 3

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should DHL have a proposal to settle this case, DHL or its representative should transmit it to 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, DHL's answer must be filed in accordance with the instructions 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 DHL's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: James C. Pelletier, Esq.  
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 DHL may wish to have concerning this matter should occur through him. Mr. Pelletier may be contacted by telephone at (202) 482-5301.

Sincerely,

Michael D. Turner  
Director  
Office of Export Enforcement