



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Industry and Security
Washington, D.C. 20230

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Randolph Engineering, Inc.
26 Thomas Pattern Drive
Randolph, Massachusetts 02368

*Attn: Richard Waszkiewicz
President*

Dear Mr. Waszkiewicz:

The Bureau of Industry and Security, United States Department of Commerce ("BIS"), has reason to believe that Randolph Engineering, Inc., of Randolph, Massachusetts ("REI"), has committed two 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 REI committed the following violations:

**Charge 1 15 C.F.R. § 764.2(a) - Conduct Prohibited by or Contrary to the Regulations
- Attempted Unlicensed Export of Items**

On or about February 14, 2000, REI attempted to export aviator sunglasses, items subject to both the Regulations (EAR99)³ and the Iranian Transactions Regulations of the Treasury

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2002). The violations charged occurred in 2000. The Regulations governing the violation at issue are found in the 2000 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000)). The Regulations define the violations that BIS alleges occurred and 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 14, 2002 (67 *Fed. Reg.* 53721 (August 16, 2002)), has continued the Regulations in effect under IEEPA. The Act and Regulations are available on the Government Printing Office website at: <http://w3.access.gpo.gov/bis/>.

³ The term "EAR99" refers to items subject to the EAR which are not listed on the Commerce Control List. See 15 C.F.R. § 734.3(c).



Department's Office of Foreign Assets Control ("OFAC"),⁴ to Iran without obtaining authorization from OFAC as required by Section 746.7 of the Regulations. In doing so, REI violated Section 764.2(a) of the Regulations.

Charge 2 15 C.F.R. § 764.2(g) - False or Misleading Representations of Fact - False Statement on Shipper's Export Declaration Concerning Ultimate Destination

On or about February 11, 2000, REI filed or caused to be filed a Shipper's Export Declaration⁵ that stated the country of ultimate destination for the shipment of aviator sunglasses was Italy. This representation was false because the actual country of ultimate destination was Iran. In doing so, REI violated Section 764.2(g) of the Regulations.

Accordingly, REI is hereby notified that an administrative proceeding is instituted against it pursuant to 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,⁶

Denial of export privileges; and/or

Exclusion from practice before BIS.

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

REI is further notified that it is entitled to an agency hearing on the record if REI files a written demand for one with its answer. See 15 C.F.R. § 766.6. REI 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.

⁴ See 31 C.F.R. § 560.204

⁵ Shipper's Export Declarations are export control documents, as defined in Part 772 of the Regulations

⁶ Pursuant to the Federal Civil Penalties Adjustment Act of 1990 (28 U.S.C. § 2461, note (2000)), and 15 C.F.R. § 6.4(a)(2), the maximum penalty for each violation committed after October 23, 1996 and before November 1, 2000, is \$11,000.

Randolph Engineering, Inc.
Proposed Charging Letter
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The Regulations provide for settlement without a hearing. See 15 C.F.R. § 766.18. Should you have a proposal to settle this case, your or your representative should transmit it to me 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, REI'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 REI's answer must be served on BIS at the following address:

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

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

Sincerely,

Mark D. Menefee
Director
Office of Export Enforcement

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

In the Matter of)
)
RANDOLPH ENGINEERING. INC.,)
26 Thomas Pattern Drive)
Randolph, Massachusetts 02368,)
)
Respondent.)
_____)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Respondent, Randolph Engineering, Inc. (“REI”), and the Bureau of Industry and Security, United States 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 (2002)) (“Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),²

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

¹ The violations at issue occurred in 2000. The Regulations governing the violations at issue are found in 15 C.F.R. Parts 730-774 (2000). The procedural aspects of this matter are governed by the 2002 Regulations.

² 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 14, 2002 (67 *Fed. Reg.* 53721 (August 16, 2002)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707).

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

1. *One Violation of 15 C.F.R. § 764.2(a) - Attempted Unlicensed Export of Items:*

On or about February 14, 2000, REI attempted to export aviator sunglasses, items subject to both the Regulations and the Iranian Transactions Regulations of the Treasury Department's Office of Foreign Assets Control ("OFAC"), through Italy to Iran without obtaining authorization from OFAC as required by Section 746.7 of the Regulations.

2. *One Violation of 15 C.F.R. § 764.2(g) - False Statement:* In connection with the attempted export referenced above, REI filed or caused to be filed a Shipper's Export Declaration that stated the country of ultimate destination for the shipment of aviator sunglasses was Italy. This statement was false because the actual country of ultimate destination was Iran.

WHEREAS, REI 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, REI fully understands the terms of this Agreement and the Order of the Assistant Secretary of Commerce for Export Enforcement that will implement this Agreement ("Order");

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

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

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

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

WHEREAS, REI agrees to be bound by the Order, when entered;

NOW THEREFORE, the Parties hereby agree as follows:

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

2. BIS and REI agree that the following sanction shall be imposed against REI in complete settlement of the violations of the Regulations set forth in the proposed charging letter:

- a. REI shall be assessed a civil penalty in the amount of \$12,000 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 REI. Failure to make timely payment of the civil penalty set forth above shall result in the denial of all of REI's export privileges for a period of one year from the date of imposition of the penalty

3. REI agrees, subject to the approval of this Agreement pursuant to paragraph 8 hereof, to hereby waive all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, when 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, when entered; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, when entered.

4. Upon entry of the Order, BIS will not initiate any further administrative proceeding against REI in connection with any violation of the Act or the Regulations arising out the transactions identified in the proposed charging letter.

5. REI understands that BIS will make the proposed charging letter, this Agreement, and the Order, when 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, when entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other

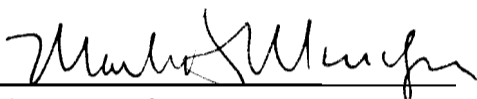
agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on BIS only when 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.

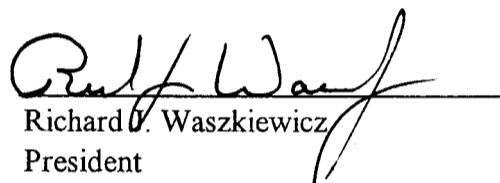
9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

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

RANDOLPH ENGINEERING, INC.



Mark D. Menefee
Director
Office of Export Enforcement



Richard Waszkiewicz
President

Date: 3/11/03

Date: 3/5/03

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

In the Matter of)
)
RANDOLPH ENGINEERING, INC.,)
26 Thomas Pattern Drive)
Randolph, Massachusetts 02368,)
)
Respondent.)

ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) having notified Randolph Engineering, Inc. (“REI”) of its intention to initiate an administrative proceeding against REI pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2002)) (“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 based on the proposed charging letter issued to REI that alleged REI committed two violations of the Regulations. Specifically, the charges are:

1. *One Violation of 15 C.F.R. § 764.2(a) - Attempted Unlicensed Export of Items:*

On or about February 14, 2000, REI attempted to export aviator sunglasses, items subject to both the Regulations and the Iranian Transactions Regulations of the Treasury

¹ The violations at issue occurred in 2000. The Regulations governing the violations at issue are found in 15 C.F.R. Parts 730-774 (2000). The procedural aspects of this matter are governed by the 2002 Regulations.

² 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 14, 2002 (67 *Fed. Reg.* 53721 (August 16, 2002)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707).

Department's Office of Foreign Assets Control ("OFAC"), through Italy to Iran without obtaining authorization from OFAC as required by Section 746.7 of the Regulations

2. *One Violation of 15 C.F.R. § 764.2(g) - False Statement:* In connection with the attempted export referenced above, REI filed or caused to be filed a Shipper's Export Declaration that stated the country of ultimate destination for the shipment of aviator sunglasses was Italy. This statement was false because the actual country of ultimate destination was Iran

BIS and REI having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$12,000 is assessed against REI, 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, REI 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 REI. Accordingly, if REI should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of REI's export privileges 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.



Lisa A. Prager
Acting Assistant Secretary of Commerce
for Export Enforcement

Entered this 14th day of March 0 3