



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Reza Moghadam Pirasteh
2308 Arroyo Court
Plano, TX 75074

Dear Mr. Pirasteh:

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) has reason to believe that you, Reza Pirasteh, as the former Chief Operating Officer of Dosmatic U.S.A., Inc., in your individual capacity, (“Pirasteh”) violated the Export Administration Regulations (the “Regulations”),¹ which are issued under the authority of the Export Administration Act of 1979 (the “Act”): on four occasions. Specifically, **BIS** charges that Pirasteh committed the following violations:

Charge 1 (15 C.F.R. §764.2(b) - Aiding and Abetting an Unlicensed Export of Liquid Injectors from the United States to Iran)

In or about May 2001, Pirasteh, as the Chief Operating Officer of Dosmatic U.S.A., Inc., aided and abetted the export of four liquid injectors, items subject to the Regulations and the Iranian Transactions Regulations, from the United States to Iran without prior authorization from the Office of Foreign Assets Control, U.S. Department of Treasury, in violation of Section 746.7 of the Regulations. In doing so, Pirasteh committed one violation of Section 764.2(b) of the Regulations.

Charge 2 (15 C.F.R. §764.2(b) - Aiding and Abetting an Unlicensed Export of Liquid Injectors from the United States to Iran)

In or about August 2001, Pirasteh, as the Chief Operating Officer of Dosmatic U.S.A., Inc., aided and abetted the export of 120 liquid injectors, items subject to the Regulations and the

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 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 2001 Regulations are substantially the same as the 2002 Regulations, which establish the procedures that apply to this matter.

² From November 13, 2000 through August 20, 2001, the Act was in effect. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222, which has been extended by a Presidential Notice of August 14, 2002 (67 *Fed. Reg.* 159 (August 16, 2002)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§1701 - 1707 (2000)).



Iranian Transactions Regulations, from the United States to Iran without prior authorization from the Office of Foreign Assets Control, U.S. Department of Treasury, in violation of Section 746.7 of the Regulations. In doing so, Pirasteh committed one violation of Section 764.2(b) of the Regulations.

Charge 3 (15 C.F.R. §764.2(h) - Actions to Evade the Requirements of the Regulations)

On or about August 27, 2001, Pirasteh, as Chief Operating Officer of Dosmatic U.S.A., Inc., took actions to evade the provisions of the Regulations relating to exports to Iran. Specifically, Pirasteh directed Dosmatic U.S.A.'s European distributor not to mention "the country" (Iran) in communications but to refer to the transactions as the "PB project." This action was taken to conceal the ultimate destination of the liquid injectors. In doing so, Pirasteh committed one violation of Section 764.2(h) of the Regulations.

Charge 4 (15 C.F.R. §764.2(g)(1) - False and Misleading Statement to an Office of Export Enforcement Special Agent in the Course of an Investigation)

On or about September 27, 2001, in connection with an investigation by BIS's Office of Export Enforcement ("OEE") into the unauthorized export of liquid injectors, items subject to the Regulations and the Iranian Transactions Regulations, from the United States to Iran, Pirasteh, as Chief Operating Officer of Dosmatic, U.S.A., Inc. told an OEE Special Agent that he only knew about one export of liquid injectors by Dosmatic U.S.A., Inc. to Iran. This representation was false and misleading as Pirasteh knew that Dosmatic U.S.A., Inc. had made two exports of liquid injectors to Iran. In doing so, Pirasteh committed one violation of Section 764.2(g)(1) of the Regulations.

Accordingly, Pirasteh is hereby notified that an administrative proceeding is instituted against him 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;³

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Pirasteh 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 Pirasteh defaults, the Administrative Law Judge may find the

³ See 15 C.F.R. §6.4(a)(2) (2001).

Reza Pirasteh
Charging Letter
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charges alleged in this letter are true without hearing or further notice to Pirasteh. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each charge in this letter.

Pirasteh is further notified that he is entitled to an agency hearing on the record if Pirasteh files a written demand for one with his answer. (Regulations, Section 766.6). Pirasteh 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 you have a proposal to settle this case, you 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, Pirasteh'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 Pirasteh's answer must be served on BIS at the following address:

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

Melissa B. Mannino is the attorney representing BIS in this case; any communications that you may wish to have concerning this matter should occur through her. She 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:)
)
Reza Moghadam Pirasteh)
2308 Arroyo Court)
Plano, Texas 75074)
)
Respondent.)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Respondent, Reza Moghadam Pirasteh (“Pirasteh”), 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 (2003)) (“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 Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2003). The violations charged occurred in 1999 and 2000. The Regulations governing the violations at issue are found in the 1999 and 2000 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1999-2000)). The 1999 and 2000 Regulations are substantially the same as the 2003 Regulations which govern the procedural aspects of this case.

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 - 1707 (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

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

WHEREAS, BIS has issued a proposed charging letter to Pirasteh that alleged that Pirasteh committed four violations of the Regulations, by aiding and abetting exports of liquid injectors to Iran, items subject to the Regulations and the Iran Transactions Regulations, without authorization from the Office of Foreign Assets Control, U.S. Department of Treasury (on two occasions); by acting to evade the Regulations by directing that the name of the country “Iran” not be used in communications so as to conceal the ultimate destination of the exports; and by making a false statement to a **BIS** investigator;

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

lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as last extended by the Notice of August 7, 2003 (68 *Fed. Reg.* 47833 (August 11, 2003)), has continued the Regulations in effect under IEEPA.

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

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

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

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

NOW THEREFORE, the Parties hereby agree **as** follows:

1. **BIS** has jurisdiction over Pirasteh, under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. The following sanctions shall be imposed against Pirasteh in complete settlement of the violations of the Regulations set forth in the proposed charging letter:
 - a. Pirasteh shall be assessed a civil penalty in the amount of \$4,500 to the **U.S.** Department of Commerce. Payment shall be made in seven payments. The first payment shall be of \$300 and shall be paid within 30 days from the date of entry of the Order. The next six payments shall each be of \$700 and shall be made on or before: April 1,2004, July 1,2004, October 1,2004, January 4,2005, April 1, 2005, and July 1,2005.
 - b. Pirasteh, his successors or assigns, and, when acting for or on behalf of Pirasteh, his representatives, agents, or employees (“denied persons”) may not, for a period

of seven years from the date of entry of the Order, 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:

1. 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, Pirasteh 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

Settlement Agreement

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entered; and (c) 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 \$4,500 civil penalty, **BIS** will not initiate any further administrative proceeding against Pirasteh 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 United States 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.

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

REZA MOGHADAM PIRASTEH



**Mark D. Menefee
Director
Office of Export Enforcement**



Reza Moghadam Pirasteh

Date: 9/11/03

Date: 9/10/03

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

In the Matter of:)
)
Reza Moghadam Pirasteh)
2308 Arroyo Court)
Plano, Texas 75074)
)
Respondent.)

ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) having notified Reza Moghadam Pirasteh (“Pirasteh”) of its intention to initiate an administrative proceeding against Pirasteh pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2003)) (“Regulations”), and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),] based on the proposed charging letter issued to Pirasteh that alleged Pirasteh committed four violations of the Regulations, by aiding and abetting exports of liquid injectors to Iran, items subject to the Regulations and the Iran Transactions Regulations, without authorization from the Office of Foreign Assets Control, U.S. Department of Treasury (on two occasions); by acting to evade the Regulations by directing that the name of the country “Iran” not be used in

¹ 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 - 1707 (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 last extended by the Notice of August 7, 2003 (68 *Fed. Reg.* 47833 (August 11, 2003)), has continued the Regulations in effect under IEEPA.

communications so as to conceal the ultimate destination of the exports; and by making a false statement to a BIS investigator.

BIS and Pirasteh 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 \$4,500 is assessed against Pirasteh. Payment of the civil penalty shall be made in seven payments to the Department of Commerce. The first payment shall be of \$300 and shall be paid within 30 days from the date of entry of this Order. The next six payments shall each be of \$700 and shall be made on or before: April 1, 2004, July 1, 2004, October 1, 2004, January 4, 2005, April 1, 2005, and July 1, 2005. Payments 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 a payment is not made by the due date specified herein, Pirasteh 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 for a period of seven years from the date of this Order, Pirasteh, 2308 Arroyo Court, Plano, Texas 75074, his successors or assigns, and when acting for or on behalf of Pirasteh, his representatives, agents, or employees (“denied person”) may not, directly or indirectly, participate in any way in any transaction involving any commodity, software, or technology (hereinafter collectively referred to as “item”) exported or to be exported from the

United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, License Exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
- C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

FOURTH, that no person may, directly or indirectly, do any of the following:

- A. Export or reexport to or on behalf of the denied person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by the denied person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the denied person acquires or attempts to acquire such ownership, possession or control;
- C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the denied person of any item subject to the Regulations that has been exported from the United States;

- D. Obtain from the denied person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
- E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and 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.

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

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

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

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This Order, which constitutes the final agency action in this matter, is effective immediately.


Lisa A. Pragg

Acting Assistant Secretary of Commerce
for Export Enforcement

Entered this 30th day of September 2003.