

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

.....
In the Matter of:)
)
Price Brothers(UK) Limited)
Lancashire House, 39-43 Monument Hill)
Weybridge, Surrey KT13 8RN)
United Kingdom)
)
Respondent.)
.....

ORDER RELATING TO PRICE BROTHERS(UK) LIMITED

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS") has notified Price Brothers(UK) Limited ("Price Brothers(UK)") of its intention to initiate an administrative proceeding against Price Brothers(UK) pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2005)) ("Regulations"),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act"),² by issuing a proposed charging letter to Price Brothers(UK), alleged that Price Brothers(UK) committed 29 violations of the Regulations. Specifically, the charges are:

¹ The charged violations occurred between 2000 and 2002. The Regulations governing the violations at issue are found in the 2000-2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2002)). The 2005 Regulations establish the procedures that apply to this matter.

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005, (70 Fed. Reg. 45273 (August 5, 2005)), has continued the Regulations in effect under IEEPA.

1. *Six Violations of 15 C.F.R. § 764.2(b) - Causing the Reexport of Items to Libya Without the Required Authorizations:* On six occasions between on or about January 12, 2000, and April 5, 2000, Price Brothers(UK) caused the doing of an act prohibited by the Regulations by supplying machinery spare parts, items subject to the Regulations (“EAR99”³), to a company in the United Kingdom that subsequently reexported them to Libya without obtaining a license from BIS as required by then Section 746.4 of the Regulations.
2. *23 Violations of 15 C.F.R. § 764.2(a)- Reexporting Items to Libya Without the Required Authorizations:* On 23 occasions between on or about June 9, 2000 and June 30, 2002, Price Brothers(UK) engaged in conduct prohibited by the Regulations by reexporting machinery spare parts, items subject to the Regulations (EAR99), to Libya without obtaining a license from BIS as required by then Section 746.4 of the Regulations.

WHEREAS, BIS and Price Brothers(UK) 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 \$101,500 is assessed against Price Brothers(UK), 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.

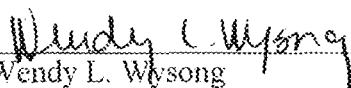
³ EAR 99 is a designation for items subject to the Regulations that are not listed on the Commerce Control list.

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, Price Brothers(UK) 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 Price Brothers(UK). Accordingly, if Price Brothers(UK) should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Price Brothers(UK)'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.


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

Entered this 7th day of September 2005.

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
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Weybridge, Surrey KT13 8RN)
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SETTLEMENT AGREEMENT

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

¹ The charged violations occurred between 2000 and 2002. The Regulations governing the violations at issue are found in the 2000-2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2002)). The 2005 Regulations establish the procedures that apply to this matter.

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005, (70 Fed. Reg. 45273 (August 5, 2005)), has continued the Regulations in effect under IEEPA.

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

WHEREAS, BIS has notified Price Brothers(UK) of its intention to initiate an administrative proceeding against Price Brothers(UK), pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to Price Brothers(UK) that alleged that Price Brothers(UK) committed 29 violations of the Regulations, specifically:

1. *Six Violations of 15 C.F.R. § 764.2(b) - Causing the Reexport of Items to Libya Without the Required Authorizations:* On six occasions between on or about January 12, 2000, and April 5, 2000, Price Brothers(UK) caused the doing of an act prohibited by the Regulations by supplying machinery spare parts, items subject to the Regulations ("EAR99"³), to a company in the United Kingdom that subsequently reexported them to Libya without obtaining a license from BIS as required by then Section 746.4 of the Regulations.
2. *23 Violations of 15 C.F.R. § 764.2(a)- Reexporting Items to Libya Without the Required Authorizations:* On 23 occasions between on or about June 9, 2000 and June 30, 2002, Price Brothers(UK) engaged in conduct prohibited by the Regulations by reexporting machinery spare parts, items subject to the Regulations

³ EAR 99 is a designation for items subject to the Regulations that are not listed on the Commerce Control list.

(EAR99), to Libya without obtaining a license from BIS as required by then
Section 746.4 of the Regulations.

WHEREAS, Price Brothers(UK) 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, Price Brothers(UK) 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, Price Brothers(UK) enters into this Agreement voluntarily and with full
knowledge of its rights;

WHEREAS, Price Brothers(UK) states that no promises or representations have been
made to it other than the agreements and considerations herein expressed;

WHEREAS, Price Brothers(UK) neither admits nor denies the allegations contained in the
proposed charging letter;

WHEREAS, Price Brothers(UK) wishes to settle and dispose of all matters alleged in the
proposed charging letter by entering into this Agreement; and

WHEREAS, Price Brothers(UK) agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Price Brothers(UK), under the Regulations, in connection
with the matters alleged in the proposed charging letter.

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

- a. Price Brothers(UK) shall be assessed a civil penalty in the amount of \$101,500, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order. Payment shall be made in the manner specified in the attached instructions.
- b. The timely payment of the civil penalty agreed to in paragraph 2.a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, or to be granted, to Price Brothers(UK). Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Price Brothers(UK)'s export or reexport privileges 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, Price Brothers(UK) 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 and timely payment of the \$101,500 civil penalty, BIS will not initiate any further administrative proceeding against Price Brothers (UK) in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the voluntary self-disclosure and the proposed charging letter.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.

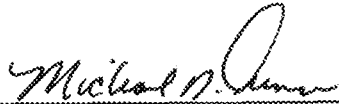
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial 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 the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

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


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



Michael D. Turner
Director
Office of Export Enforcement

Date: September 6, 2005

PRICE BROTHERS (UK) LTD.



Clive F. Salvesson
Director
Price Brothers (UK) Ltd.

Date: August 26th 2005

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Price Brothers (UK) Limited
Lancashire House, 39-43 Monument Hill
Weybridge, Surrey KT13 8RN
United Kingdom

Attention: Clive Salveson
Director

Dear Mr. Salveson:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Price Brothers (UK) Limited ("Price Brothers(UK)") of Surrey, United Kingdom, has committed 29 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 Price Brothers(UK) has committed the following violations:

Charges 1-6 15 C.F.R. § 764.2(b) - Causing the Reexport of Items to Libya Without the Required Authorizations

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on six occasions between on or about January 12, 2000, and April 5, 2000, Price

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2005). The charged violations occurred between 2000 and 2002. The Regulations governing the violations at issue are found in the 2000-2002 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000-2002)). The 2005 Regulations establish the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401- 2420 (2000). From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which 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. 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 6, 2004 (69 *Fed. Reg.* 48763, August 10, 2004), continues the Regulations in effect under IEEPA.

Brothers(UK) caused the doing of an act prohibited by the Regulations by supplying machinery spare parts, items subject to the Regulations ("EAR99"³), to a company in the United Kingdom that subsequently reexported them to Libya without obtaining a license from BIS as required by then Section 746.4 of the Regulations. In so doing, Price Brothers(UK) committed six violations of Section 764.2(b) of the Regulations.

Charges 7-29 15 C.F.R. § 764.2(a)- Reexporting Items to Libya Without the Required Authorizations

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on 23 occasions between on or about June 9, 2000 and June 30, 2002, Price Brothers(UK) engaged in conduct prohibited by the Regulations by reexporting machinery spare parts, items subject to the Regulations (EAR99), to Libya without obtaining a license from BIS as required by then Section 746.4 of the Regulations. In so doing, Price Brothers(UK) committed 23 violations of Section 764.2(a) of the Regulations.

Accordingly, Price Brothers(UK) 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;⁴

Denial of export privileges; and/or

Exclusion from practice before BIS.

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

Price Brothers(UK) is further notified that it is entitled to an agency hearing on the record if Price Brothers(UK) files a written demand for one with its answer. (Regulations, Section 766.6). Price Brothers(UK) is also entitled to be represented by counsel or other authorized

³ EAR 99 is a designation for items subject to the Regulations that are not listed on the Commerce Control list.

⁴ See 15 C.F.R. § 6.4(a)(2).

representative who has power of attorney to represent it. (Regulations, Sections 766.3(a) and 766.4.)

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18.) Should Price Brothers(UK) have a proposal to settle this case, Price Brothers(UK) 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, Price Brothers(UK)'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 Price Brothers(UK)'s answer must be served on BIS at the following address:

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

Parvin Huda is the attorney representing BIS in this case. Any communications that Price Brothers(UK) may wish to have concerning this matter should occur through her. She may be contacted by telephone at (202) 482-5301.

Sincerely,

Michael D. Turner
Director
Office of Export Enforcement

Enclosure

SCHEDULE A--PRICE BROTHERS (UK)'S REEXPORT VIOLATIONS

CHARGE NUMBERS	DATE OF VIOLATION (ON OR ABOUT)	COMMODITY	ECCN	DESTINATION	VALUE (U.S. DOLLARS)	VIOLATIONS CHARGED
1	1/12/00	Lube pumps for gear reducers	EAR99	Libya	\$ 4,106.00	15 CFR § 764.2(b)
2	1/22/00	Oil seals	EAR99	Libya	\$ 951.50	15 CFR § 764.2(b)
3	2/7/00	Various machinery parts	EAR99	Libya	\$ 611.02	15 CFR § 764.2(b)
4	1/22/00	Ball transfers	EAR99	Libya	\$ 5,147.27	15 CFR § 764.2(b)
5	4/5/00	Clutch assembly boring	EAR99	Libya	\$ 3,578.94	15 CFR § 764.2(b)
6	3/24/00	Various machinery parts	EAR99	Libya	\$ 6,945.35	15 CFR § 764.2(b)
7	6/9/00	Various machinery parts	EAR99	Libya	\$ 307.43	15 CFR § 764.2(a)
8	7/12/00	Various machinery parts	EAR99	Libya	\$ 26,797.41	15 CFR § 764.2(a)
9	1/17/01	Various machinery parts	EAR99	Libya	\$ 4,267.38	15 CFR § 764.2(a)
10	2/13/01	Various machinery parts	EAR99	Libya	\$ 1,805.10	15 CFR § 764.2(a)
11	3/30/01	Various machinery parts	EAR99	Libya	\$ 3,305.48	15 CFR § 764.2(a)
12	5/28/01	Various machinery parts	EAR99	Libya	\$ 113,329.24	15 CFR § 764.2(a)
13	6/7/01	Various machinery parts	EAR99	Libya	\$ 7,153.20	15 CFR § 764.2(a)
14	6/8/01	Flow control valves	EAR99	Libya	\$ 522.03	15 CFR § 764.2(a)

CHARGE NUMBERS	DATE OF VIOLATION (ON OR ABOUT)	COMMODITY	ECCN	DESTINATION	VALUE (U.S. DOLLARS)	VIOLATIONS CHARGED
15	7/11/01	Repair kits	EAR99	Libya	\$ 4,266.00	15 CFR § 764.2(a)
16	7/26/01	Various machinery parts	EAR99	Libya	\$ 2,480.74	15 CFR § 764.2(a)
17	7/31/01	Various machinery parts	EAR99	Libya	\$ 7,443.70	15 CFR § 764.2(a)
18	9/15/01	Various machinery parts	EAR99	Libya	\$ 61,261.12	15 CFR § 764.2(a)
19	10/13/01	Various machinery parts	EAR99	Libya	\$ 2,291.97	15 CFR § 764.2(a)
20	10/15/01	Strainer	EAR99	Libya	\$ 3,191.98	15 CFR § 764.2(a)
21	10/20/01	Various machinery parts	EAR99	Libya	\$ 9,673.21	15 CFR § 764.2(a)
22	11/10/01	Various machinery parts	EAR99	Libya	\$ 23,833.94	15 CFR § 764.2(a)
23	2/20/02	Slurry pumps	EAR99	Libya	\$ 4,671.92	15 CFR § 764.2(a)
24	4/22/02	Dolly blocks	EAR99	Libya	\$ 377.00	15 CFR § 764.2(a)
25	5/1/02	Cylinders for bulldog pump	EAR99	Libya	\$ 7,471.40	15 CFR § 764.2(a)
26	5/9/02	Various machinery parts	EAR99	Libya	\$ 57,004.40	15 CFR § 764.2(a)
27	5/30/02	Valve	EAR99	Libya	\$ 2,943.29	15 CFR § 764.2(a)
28	6/17/02	4-way valve	EAR99	Libya	\$ 1,110.40	15 CFR § 764.2(a)
29	6/30/02	Solnoid valve	EAR99	Libya	\$ 369.50	15 CFR § 764.2(a)