

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

In the Matter of:)
)
Salinas International Freight Company, Inc.)
7138 Envoy Court, Suite 150)
Dallas, TX 75247)
)
)
)

Respondent)

ORDER RELATING TO SALINAS INTERNATIONAL FREIGHT COMPANY, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Salinas International Freight Company, Inc. (“Salinas”) of its intention to initiate an administrative proceeding against Salinas 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 Salinas that alleged that Salinas, committed two violations of the Regulations. Specifically, the charges are:

1. *One Violation of 15 C.F.R. § 764.2(k): Unauthorized Export on Behalf of Denied Person:* On or about September 22, 2001, Salinas took action prohibited by a

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 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)).

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)), which has been extended by successive Presidential Notices, the most recent being the Notice of August 2, 2005 (70 Fed. Reg. 45273, August 5, 2005), has continued the Regulations in effect under the IEEPA.

denial order by exporting computers and related equipment, items subject to the Regulations, on behalf of the Tetrabal Corp., 316 Candlewood Pl., Richardson, TX 75081, from the United States to Saudi Arabia. Tetrabal Corp. was at the time of the export subject to a temporary denial of its export privileges. *See 66 Fed. Reg. 47630* (Sept. 13, 2001) (“temporary denial order”). The temporary denial order prohibited any person from exporting or reexporting “to or on behalf of a person subject to this order any item subject to the [Regulations].”

2. *One Violation of 15 C.F.R. § 764.2(g): Misrepresentation of License Authority on a Shipper’s Export Declaration:* On or about September 22, 2001, in connection with the transaction referenced above, Salinas directly made false or misleading representations to the U.S. Government in violation of the Regulations. Specifically, Salinas filed or caused to be filed a Shipper’s Export Declaration with the U.S. Government that stated the export of computers and related equipment on behalf of Tetrabal Corp. qualified for export from the United States as NLR (“No License Required”). This statement was false or misleading because, as described above, Tetrabal Corp. was at the time of the export subject to a temporary denial of its export privileges and, as such, was prohibited from engaging in any export transactions subject to the Regulations without prior authorization from BIS.

WHEREAS, BIS and Salinas 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:

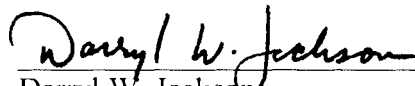
FIRST, that a civil penalty of \$11,600 is assessed against Salinas, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

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



Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 7th day of November 2005.

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

In the Matter of:)
)
Salinas International Freight Company, Inc.)
7138 Envoy Court, Suite 150)
Dallas, TX 75247)
)
Respondent.)
_____)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Respondent, Salinas International Freight Company, Inc. (“Salinas”), 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

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

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 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)).

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)), which has been extended by successive Presidential Notices, the most recent being the Notice of August 2, 2005 (70 Fed. Reg. 45273, August 5, 2005), has continued the Regulations in effect under the IEEPA.

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

1. *One Violation of 15 C.F.R. § 764.2(k): Unauthorized Export on Behalf of Denied Person:* On or about September 22, 2001, Salinas took action prohibited by a denial order by exporting computers and related equipment, items subject to the Regulations, on behalf of the Tetrabal Corp., 316 Candlewood Pl., Richardson, TX 75081, from the United States to Saudi Arabia. Tetrabal Corp. was at the time of the export subject to a temporary denial of its export privileges. *See 66 Fed. Reg. 47630 (Sept. 13, 2001) (“temporary denial order”).* The temporary denial order prohibited any person from exporting or reexporting “to or on behalf of a person subject to this order any item subject to the [Regulations].”
2. *One Violation of 15 C.F.R. § 764.2(g): Misrepresentation of License Authority on a Shipper’s Export Declaration:* On or about September 22, 2001, in connection with the transaction referenced above, Salinas directly made false or misleading representations to the U.S. Government in violation of the Regulations. Specifically, Salinas filed or caused to be filed a Shipper’s Export Declaration with the U.S. Government that stated the export of computers and related equipment on behalf of Tetrabal Corp. qualified for export from the United States as NLR (“No License Required”). This statement was false or misleading because, as described above, Tetrabal Corp. was, at the time of the export, subject to a temporary denial of

its export privileges and, as such, was prohibited from engaging in any export transactions subject to the Regulations without prior authorization from BIS.

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

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

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

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

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

NOW THEREFORE, the Parties hereby agree as follows:

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

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

- a. Salinas shall be assessed a civil penalty in the amount of \$11,600 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, License Exception, permission, or privilege granted, or to be granted, to Salinas. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Salinas'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, Salinas 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 \$11,600 civil penalty, BIS will not initiate any further administrative proceeding against Salinas in connection with any violation of the Act or the Regulations arising out of the transactions detailed 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 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.

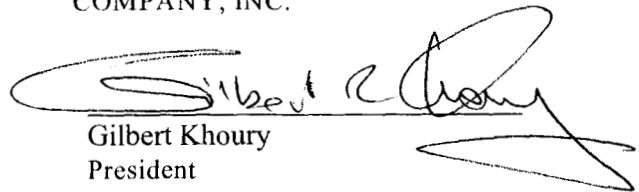
9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

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



Michael D. Turner
Director
Office of Export Enforcement

SALINAS INTERNATIONAL FREIGHT
COMPANY, INC.



Gilbert Khoury
President

Date: 11/2/05

Date: 10/20/05

PROPOSED CHARGING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Salinas International Freight Company, Inc.
7138 Envoy Court, Suite 150
Dallas, TX 75247

*Attn: Mr. Gilbert Khoury,
President*

Dear Mr. Khoury:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Salinas International Freight Company, Inc. (hereafter "Salinas") of Dallas, Texas, 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 Salinas committed the following violations:

Charge 1 15 C.F.R. § 764.2 (k): Unauthorized Export on Behalf of Denied Person:

On or about September 22, 2001, Salinas took action prohibited by a denial order by exporting computers and related equipment, items subject to the Regulations, on behalf of the Tetrabal Corp., 316 Candlewood Pl., Richardson, TX 75081, from the United States to Saudi Arabia. Tetrabal Corp. was at the time of the export subject to a temporary denial of its export privileges. See 66 Fed. Reg. 47630 (Sept. 13, 2001) ("temporary denial order"). The temporary denial order prohibited any person from exporting or reexporting "to or on behalf of a person subject to this order any item subject to the [Regulations]." In so doing, Salinas committed one violation of Section 764.2(k) of the Regulations.

Charge 2: 15 C.F.R. § 764.2(g): Misrepresentation of License Authority on a Shipper's Export Declaration:

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 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.

² 50 U.S.C. app. §§ 2401-2420 (2000). 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 IEPPA.

On or about September 22, 2001, in connection with the transaction referenced in Charge One, Salinas directly made false or misleading representations to the U.S. Government in violation of the Regulations. Specifically, Salinas filed or caused to be filed a Shipper's Export Declaration with the U.S. Government that stated the export of computers and related equipment on behalf of Tetrabal Corp. qualified for export from the United States as NLR ("No License Required"). This statement was false or misleading because, as described in Charge One, Tetrabal Corp. was at the time of the export subject to a temporary denial of its export privileges and, as such, was prohibited from engaging in any export transactions subject to the Regulations without prior authorization from BIS. By making this false or misleading representation to the U.S. Government, Salinas committed one violation of Section 764.2(g) of the Regulations.

* * * *

Accordingly, Salinas 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;³

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Salinas 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 Salinas defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Salinas. 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.

Salinas 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. Salinas 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.

³ *See* 15 C.F.R. § 6.4(a)(2).

Salinas
Proposed Charging Letter
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The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should Salinas have a proposal to settle this case, Salinas 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, Salinas'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 Salinas'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 Salinas 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