

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

In the Matter of:)
)
Asher Karni)
Federal Inmate Registration Number: 32338-016)
Fort Dix FCI)
Fort Dix, NJ 08640)
)
Respondent:)
)
and)
)
Pakland PME Corporation)
Unit 7&8, 2nd Floor, Mohammadi Plaza)
Jinnah Avenue, Blue Area, F-6/4)
Islamabad-44000, Pakistan)
)
Humayun Khan)
Unit 7&8, 2nd Floor, Mohammadi Plaza)
Jinnah Avenue, Blue Area, F-6/4)
Islamabad-44000, Pakistan)
)

Related Persons)

ORDER DENYING EXPORT PRIVILEGES

A. Denial of Export Privileges of Asher Karni

On August 4, 2005, in the U.S. District Court in the District of Columbia, Asher Karni (“Karni” or “Respondent”) was convicted of violating the Export Administration Act of 1979, as amended (currently codified at 50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”).¹ Karni was

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 - 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

found guilty of willfully exporting and attempting to export two oscilloscopes and triggered spark gaps from the United States to Pakistan via South Africa without having first obtained the required export licenses from the Department of Commerce. Karni was sentenced to three years imprisonment and two years of supervised release following imprisonment. He is scheduled to be released on August 12, 2006.

Section 11(h) of the Act and Section 766.25 of the Export Administration Regulations (“Regulations”)² provide, in pertinent part, that “[t]he Director of Exporter Services, in consultation with the Director of the Office of Export Enforcement, may deny export privileges of any person who has been convicted of a violation of . . . the Act,” for a period not to exceed 10 years from the date of conviction. 15 C.F.R. sections 766.25(a) and (d). In addition, Section 750.8 of the Regulations states that BIS’s Office of Exporter Services may revoke any BIS licenses previously issued in which the person had an interest in at the time of his conviction.

I have received notice of Karni’s conviction for violating the Act, and have provided notice and an opportunity for Karni to make a written submission to the Bureau of Industry and Security as provided in Section 766.25 of the Regulations. I have also received a written submission from Karni and have decided, following consultations with the Office of Export Enforcement, including its Director, to deny Karni’s export privileges under the Regulations for a period of 10 years from the date of Karni’s conviction.

B. Denial of Export Privileges of Related Persons

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.

² The Regulations are currently codified at 15 C.F.R. Parts 730-774 (2006).

In addition, pursuant to Sections 766.25(h) and 766.23 of the Regulations, the Director, Office of Exporter Services, in consultation with the Director, Office of Export Enforcement, may take action to name persons related to the Respondent by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business in order to prevent evasion of the Order. I gave notice to Pakland PME Corporation (“Pakland”) and Humayun Khan (“Khan”) by Federal Express, notifying them that their export privileges under the Regulations could be denied for up to 10 years as BIS believes that these entities are related to Karni and including them in the Karni Order is necessary to prevent evasion. The basis for naming these entities to the Karni order include the fact that Karni, and his company, Top Cape Technology, acted in concert with Khan and Pakland to divert U.S. origin goods to Pakistan.

Having received no submission from Khan and Pakland, I have decided, following consultations with the Office of Export Enforcement, including its Director, to name Khan and Pakland as related persons to the Karni Denial Order, thereby denying their export privileges for 10 years from the date of Karni’s conviction.

I have also decided to revoke all licenses issued pursuant to the Act or Regulations in which Karni, Khan and Pakland had an interest at the time of Karni’s conviction. The 10-year denial period ends on August 4, 2015.

Accordingly, it is hereby

ORDERED

- I. Until August 4, 2015, Asher Karni, Federal Inmate Registration Number: 32338-016, Fort Dix FCI, Fort Dix, NJ 08640, and when acting for or on his behalf, his employees, agents or representatives, (“the Denied Person”) and the

following persons related to the Denied Person as defined by Section 766.23 of the Regulations, Pakland PME Corporation, Unit 7&8, 2nd Floor, Mohammadi Plaza, Jinnah Avenue, Blue Area, F-6/4, Islamabad-44000, Pakistan and Humayun Khan, Unit 7&8, 2nd Floor, Mohammadi Plaza, Jinnah Avenue, Blue Area, F-6/4, Islamabad-44000, Pakistan, and when acting for or on their behalf, their employees, agents or representatives, (“the Related Persons”) (together, the Denied Person and the Related Persons are “Persons Subject To This Order”) 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.

- II. No person may, directly or indirectly, do any of the following:
- A. Export or reexport to or on behalf of the Persons Subject To This Order any item subject to the Regulations;
 - B. Take any action that facilitates the acquisition or attempted acquisition by the Persons Subject To This Order 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 Persons Subject To This Order 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 Persons Subject To This Order of any item subject to the Regulations that has been exported from the United States;
 - D. Obtain from the Persons Subject To This Order 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 Persons Subject To This Order, or service any item, of whatever origin, that is owned, possessed or controlled by the Persons Subject To This Order 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.

III. In addition to the Related Persons named above, after notice and opportunity for comment as provided in section 766.23 of the Regulations, any other person, firm, corporation, or business organization related to Karni by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of this Order if necessary to prevent evasion of the Order.

IV. 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.

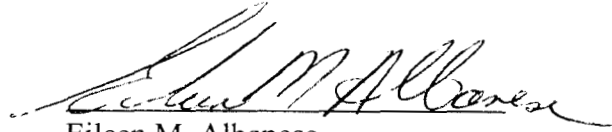
V. This Order is effective immediately and shall remain in effect until August 4, 2015.

VI. In accordance with Part 756 of the Regulations, Karni may file an appeal of this Order with the Under Secretary of Commerce for Industry and Security. The appeal must be filed within 45 days from the date of this Order and must comply with the provisions of Part 756 of the Regulations.

VII. In accordance with Section 766.23(c), Khan and Pakland may file an appeal with the Administrative Law Judge.

VIII. A copy of this Order shall be delivered to Karni and the Related Persons. This Order shall be published in the Federal Register.

Date: August 1, 2006



Eileen M. Albanese
Director
Office of Exporter Services