



1. *Ten Violations of 15 C.F.R. §760.2(d) - Furnishing Information about Business Relationships with Boycotted Countries or Blacklisted Persons:*  
During the period 2001 through 2005, Colorcon engaged in transaction(s) involving the sale and/or transfer of goods or services (including information) from the United States to Syria. In connection with these activities, on ten occasions, Colorcon, with intent to comply with, further or support an unsanctioned foreign boycott, knowingly furnished information concerning its or another person's business relationships with or in a boycotted country or with another person known or believed to be restricted from having any business relationship with or in a boycotting country, an activity prohibited by Section 760.2(d) of the Regulations, and not excepted.
  
2. *Four Violations of 15 C.F.R. §760.2(a) - Refusal to do Business:*  
During the period 2001 through 2005, Colorcon engaged in transactions involving the sale and/or transfer of goods or services (including information) from the United States to Syria. In connection with these activities, on four occasions, Colorcon executed and provided to persons in Syria, documents containing statements undertaking to comply with Syrian legislation concerning the boycott of Israel. By executing and providing those documents Colorcon, with intent to comply with, further or support an unsanctioned foreign boycott, knowingly

agreed to refuse to do business with another person pursuant to an agreement with, a requirement of or a request from a boycotting country, an activity prohibited by Section 760.2(a) of the Regulations, and not excepted.

3. *Seven Violation of 15 C.F.R. §760.5 - Failing to Report Receipt of a Request to Engage in a Restrictive Trade Practice or Foreign Boycott against a Country Friendly To the United States:* During the period 2001 through 2005, Colorcon engaged in transaction(s) involving the sale and/or transfer of goods or services (including information) from the United States to Syria. In connection with these activities, Colorcon on seven occasions received requests to take actions which would have the effect of furthering or supporting a restrictive trade practice or unsanctioned foreign boycott. Colorcon failed to report its receipt of these requests to the Department of Commerce as required by Section 760.5 of the Regulations.

BIS and Colorcon having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby the parties have 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 THAT:

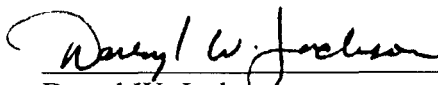
FIRST, a civil penalty of \$39,000 is assessed against Colorcon which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, pursuant to the Debt Collections Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (1983 and Supp. 2001)), 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, Colorcon will be assessed, in addition to the full amount of the penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, as authorized by Section 11(d) of the Act, the timely payment of the sum of \$39,000 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 Colorcon. Accordingly, if Colorcon should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order under the authority of Section 11(d) of the Act denying all of Colorcon's export privileges for a period of one year from the date of the entry of this Order.

FOURTH, the Proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public, and a copy of this Order shall be served upon Colorcon.

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 15<sup>th</sup> day of November, 2007

Attachments

INSTRUCTIONS FOR PAYMENT OF SETTLEMENT AMOUNT

1. The check should be made payable to:

U.S. DEPARTMENT OF COMMERCE

2. The check should be mailed to:

U.S. Department of Commerce  
Bureau of Industry and Security  
Room 6622  
14th & Constitution Avenue, N.W.  
Washington, D.C. 20230

Attention: Jennifer Kuo

## NOTICE

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty. It also specifies the amount owed and the date by which payment of the civil penalty is due and payable.

Under the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (1983 and Supp. 2001)) and the Federal Claims Collection Standards (65 Fed. Reg. 70390-70406, November 22, 2000, to be codified at 31 C.F.R. Parts 900-904), interest accrues on any and all civil monetary penalties owed and unpaid under the Order, from the date of the Order until paid in full. The rate of interest assessed respondent is the rate of the current value of funds to the U.S. Treasury on the date that the Order was entered. However, interest is waived on any portion paid within 30 days of the date of the Order. See 31 U.S.C. §3717 and 31 C.F.R. §901.9.

The civil monetary penalty will be delinquent if not paid by the due date specified in the Order. If the penalty becomes delinquent, interest will continue to accrue on the balance remaining due and unpaid, and respondent will also be assessed both an administrative charge to cover the cost of processing and handling the delinquent claim and a penalty charge of six percent per year. However, although the penalty charge will be computed from the date that the civil penalty becomes delinquent, it will be assessed only on sums due and unpaid for over 90 days after that date. See 31 U.S.C. §3717 and 4 C.F.R. §901.9.

The foregoing constitutes the initial written notice and demand to respondent in accordance with Section 901.2 of the Federal Claims Collection Standards (31 C.F.R. §901.2(b)).

UNITED STATES OF AMERICA  
DEPARTMENT OF COMMERCE

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In the Matter of )  
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) Case No. 06-05  
Colorcon Limited (United Kingdom) )  
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SETTLEMENT AGREEMENT

This agreement is made by and between Colorcon Limited (United Kingdom) (“Colorcon”), a wholly-owned subsidiary of Colorcon Inc., a domestic concern resident in West Point, Pennsylvania , and the Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce (“BIS”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2007)) (the “Regulations”), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”).<sup>1</sup>

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<sup>1</sup> 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 15, 2007 (72 Fed. Reg. 46137 (August 16, 2007)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”).



WHEREAS, Colorcon has voluntarily disclosed certain information concerning its activities to BIS; and

WHEREAS, BIS has notified Colorcon of its intention to initiate an administrative proceeding against Colorcon, pursuant to Section 11(c) of the Act by issuing the Proposed Charging Letter dated October 15, 2007, a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, Colorcon has reviewed the Proposed Charging Letter and is aware of the allegations against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; Colorcon fully understands the terms of this Settlement Agreement, and enters into this Settlement Agreement voluntarily and with full knowledge of its rights; and Colorcon states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, Colorcon neither admits nor denies the truth of the allegations, but wishes to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Colorcon agrees to be bound by the appropriate Order (“Order”) when entered;

NOW, THEREFORE, Colorcon and BIS agree as follows:

1. Under the Act and the Regulations, BIS has jurisdiction over Colorcon with respect to the matters alleged in the Proposed Charging Letter.
2. BIS will impose a civil penalty in the amount of \$39,000. Colorcon will pay to the U.S. Department of Commerce, within 30 days from the date of entry of the Order, and in accordance with the terms of the Order when entered, the amount of \$39,000 in complete settlement of all matters set forth in the Proposed Charging Letter.
3. As authorized by Section 11(d) of the Act, timely payment of the amount agreed to in paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Colorcon. Failure to make payment of this amount shall result in the denial of all of Colorcon’s export privileges for a period of one year from the date of entry of the Order.

4. Subject to the approval of this Settlement Agreement, pursuant to paragraph 9 hereof, Colorcon hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement 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 the funds paid by Colorcon pursuant to this Settlement Agreement and the Order, when entered; or
  - C. Seek judicial review or otherwise contest the validity of this Settlement Agreement or the Order, when entered.
  
5. BIS, upon entry of the Order, will not initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against Colorcon with respect to any violation of Section 8 of the Act or Part 760 of the Regulations arising out of the transactions set forth in the Proposed Charging Letter or any other transaction that was disclosed to or reviewed by BIS in the course of its investigation.

6. Colorcon understands that BIS will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the Order, when entered.
  
7. This Settlement Agreement is for settlement purposes only, and does not constitute an admission by Colorcon that it has violated the Regulations, or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement. Therefore, if this Settlement Agreement is not accepted and the Order not entered by the Assistant Secretary for Export Enforcement, BIS may not use this Settlement Agreement against Colorcon in any administrative or judicial proceeding.
  
8. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the Order, when entered, nor shall this Settlement Agreement 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 herein addressed. This paragraph shall not limit Colorcon's right to challenge any action brought by any other agency based on a referral by BIS or any employee thereof, in contravention of paragraph 5 of this Settlement Agreement.

9. This Settlement Agreement will become binding on BIS only when approved by the Assistant Secretary for Export Enforcement by entering the Order.

Colorcon Limited (United Kingdom)



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DATE: 2/11/07

U.S. DEPARTMENT OF COMMERCE



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DATE: November 14, 2007

Edward O. Weant III  
Director  
Office of Antiboycott Compliance

Attachment



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

PROPOSED CHARGING LETTER

October 15, 2007

Colorcon Limited  
Flagship House, Victory Way  
Crossways  
Dartford Kent DA26QD  
England  
United Kingdom

Attention: Steve Batchelor  
Chief Financial Officer

Case No. 06-05

Gentlemen/Ladies:

We, the Bureau of Industry and Security, United States Department of Commerce (“BIS”), have reason to believe that you, Colorcon Limited (United Kingdom), on twenty-one occasions, have violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2007)) (the “Regulations”),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979, as amended (50 U.S.C. §§ 2401-2420 (2000)) (the “Act”).<sup>2</sup>

We charge that you committed ten violations of Section 760.2(d) of the Regulations, in that, on ten occasions, with intent to comply with, further or support an unsanctioned foreign boycott, you furnished information about your or another person’s business relationships with or in a boycotted country or with another person known or believed to be restricted from having any business relationship with or in a boycotting country.

We charge that you committed four violations of Section 760.2(a) of the Regulations, in that, on four occasions, with intent to comply with, further or support an unsanctioned foreign boycott, you knowingly agreed to refuse to do business with another person pursuant to an agreement with, a requirement of or a request from a boycotting country.

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<sup>1</sup> The alleged violations occurred during the period 2001 through 2005. Regulations governing the violations at issue are found in the 2001 through 2005 respective versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001, 2002, 2003, 2004, 2005)). The prior years’ Regulations are substantially the same as the 2007 version of the Regulations which govern the procedural aspects of this matter.

<sup>2</sup> 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 15, 2007 (72 Fed. Reg. 46137 (August 16, 2007)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”).



We also charge that you committed seven violations of Section 760.5 in that, on seven occasions, you failed to report to the Department of Commerce ("Department") your receipt of a request to engage in a restrictive trade practice or boycott, as required by the Regulations.

We allege that:

Colorcon Inc. (formerly, Berwind Pharmaceutical Services, Inc.) is, and at all times relevant was, a domestic concern incorporated in the State of Delaware and resident in the State of Pennsylvania and, as such, is a United States person as defined in Section 760.1(b) of the Regulations.

You, Colorcon Limited (United Kingdom), are, and at all times relevant were, a company registered under the laws of the United Kingdom and a wholly-owned subsidiary of Colorcon Inc. Accordingly, you are a controlled-in-fact foreign subsidiary of a domestic concern, as defined in Section 760.1(c) of the Regulations, and, as such, are a United States person as defined in Section 760.1(b) of the regulations.

During the period 2001 through 2005, you engaged in transactions involving the sale and transfer of goods from the United States to Syria, activities in the interstate or foreign commerce of the United States, as defined in Section 760.1(d) of the Regulations.

**Charges 1 - 10 (15 C.F.R. § 760.2(d) - Furnishing Information about Business Relationships with Boycotted Countries or Blacklisted Persons)**

In connection with the activities referred to above, on ten occasions, you furnished to persons in Syria, information, as described in Table A, which is attached and incorporated herein by this reference, concerning your or another person's business relationships with or in a boycotted country or with another person known or believed to be restricted from having any business relationship with or in a boycotting country. Providing the information described in Table A, with intent to comply with, further or support an unsanctioned foreign boycott, is an activity prohibited by Section 760.2(d) of the Regulations, and not excepted. We therefore charge you with ten violations of Section 760.2(d).

**Charges 11 - 14 (15 C.F.R. § 760.2(a) - Refusal to do Business)**

In connection with the activities referred to above, on four occasions, you executed and provided to persons in Syria, documents containing statements, as described in Table B, which is attached and incorporated herein by this reference, undertaking to comply with Syrian legislation concerning the boycott of Israel. By executing and providing those documents you, with intent to comply with, further or support an unsanctioned foreign boycott, knowingly agreed to refuse to do business with another person pursuant to an agreement with, a requirement of or a request from a boycotting country, an activity prohibited by Section 760.2(a) of the Regulations, and not excepted. We therefore charge you with four violations of Section 760.2(a).

**Charges 15 -21 (15 C.F.R. § 760.5 - Failing to Report the Receipt of a Request to Engage in a Restrictive Trade Practice or Foreign Boycott Against a Country Friendly to the United States)**

In connection with the activities referred to above, during the period 2001 through 2005, on seven occasions, you received a request described in Table C, which is attached and incorporated herein by this reference, to take an action which would have the effect of furthering or supporting a restrictive trade practice or unsanctioned foreign boycott. Section 760.5 of the Regulations requires United States persons to report to the Department their receipts of such requests. You failed to report to the Department your receipts of these requests.

By failing to report your receipts of these requests, as directed by Section 760.5 of the Regulations, you are in violation of Section 760.5. We therefore charge you with seven violations of Section 760.5 of the Regulations.

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions.<sup>3</sup>

You are entitled to a hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for it with your answer. You are entitled to be represented by counsel, and under Section 766.18 of the Regulations, to seek a settlement agreement.

Under the Small Business Regulatory Enforcement Flexibility Act, you may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter.<sup>4</sup>

If you fail to answer the allegations contained in this letter within thirty (30) days after service as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

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<sup>3</sup> Administrative sanctions may include any or all the following:

- a. A civil penalty of \$11,000 per violation (see § 764.3(a)(1) of the Regulations and 15 C.F.R. § 6.4(a)(4)(2004));
- b. Denial of export privileges (see § 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice before BIS (see § 764.3(a)(3) of the Regulations).

<sup>4</sup> To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.



As provided in Section 766.3, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between BIS and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filed with:

U.S. Coast Guard ALJ Docketing Center  
40 South Gay Street  
Baltimore, Maryland 21202-4022

Attention: Administrative Law Judge

Also, in accordance with the instructions in Section 766.5(b) of the Regulations, a copy of your answer should also be served on the Bureau of Industry and Security at:

Office of the Chief Counsel for Industry and Security  
Room H-3839  
Bureau of Industry and Security  
U.S. Department of Commerce  
14th Street & Constitution Avenue, N.W.  
Washington, D.C. 20230

Sincerely,

Edward O. Weant, III  
Director  
Office of Antiboycott Compliance

Enclosures

**Table A**  
**Colorcon Limited (United Kingdom)**  
**Case No. (06-05)**  
**Schedule of Alleged Violations of Section 760.2(d), Furnishing Prohibited Business Information**

Item	Document Furnished/ Order No.	Date Furnished on or about	To	Information Furnished
1	Shipping Invoice 026063	11-20-01	Syria	... WE CERTIFY ... THAT NO MATERIAL IS PRODUCED BY ISRAEL FOR THE PRODUCTION OR PREPARATION OF THESE GOODS.
2	Invoice 028502	3-21-02	Syria	... WE CERTIFY ... THAT NO MATERIAL IS PRODUCED BY ISRAEL FOR THE PRODUCTION OR PREPARATION OF THESE GOODS.
3	Invoice 030301	5-23-02	Syria	... THERE IS NO RAW MATERIAL OF ISRAEL ORIGIN USED IN THE MANUFACTURING OF THESE GOODS.
4	Shipping Invoice 60189	9-2-02	Syria	... WE CERTIFY ... THAT NO MATERIALS IS [sic] PRODUCED BY ISRAEL FOR THE PRODUCTION OR PREPARATION OF THESE GOODS.
5	Attachment for Invoice 158855	11-21-03	Syria	... We certified ... that no material is produced by Israel for the production or preparation of these goods.
6	Shipping Invoice 179747	3-25-04	Syria	... We certify ... that no material is produced by Israel for the production or preparation of these goods.

7	Invoice 222856	12-15-04	Syria	... We declare that no raw materials of Israeli origin have been used for the production or preparation of the goods.
8	Invoice 222856	12-15-04	Syria	... We certify that the vessel carrying the goods ... is not banned entry to the ports if [sic] the Arab States for any reason what sour [sic] under the laws and regulation of such states.
9	Shipping Invoice 232775	1-28-05	Syria	... 5-We certify ... that no material is produced by Israel for the production or preparation of these goods.
10	Shipping Invoice 243595	4-7-05	Syria	... WE DECLARE THAT NO ISRAEL ORIGIN MATERIALS WERE USED IN THE PRODUCTION OR PREPARATION OF THE SAID GOODS.

**Table B**  
**Colorcon Limited (United Kingdom)**  
**Case No. (06-05)**  
**Schedule of Alleged Violations of Section 760.2(a), Refusal to Do Business**

Item	Document/ Order No.	Date	Boycotting Country	Agreement
1	Invoice 028502	3-21-02	Syria	... WE ARE FULLY AWARE OF SYRIAN LEGISLATION CONCERNING THE BOYCOTT OF ISREAL [SIC] AND UNDERTAKE TO COMPLY WITH IT.
2	Shipping Invoice 60189	9-2-02	Syria	... WE ARE FULLY AWARE OF SYRIAN LEGISLATION CONCERNING THE BOYCOTT OF ISRAEL AND UNDERTAKE TO COMPLY WITH IT.
3	Shipping Invoice 179747	3-25-04	Syria	... We are fully aware of the Syrian Legislation concerning the Boycott of Israel and undertake to comply with it.
4	Shipping Invoice 232775	1-28-05	Syria	... 6- We are fully aware of the Syrian Legislation concerning the Boycott of Israel and undertake to comply with it.

**Table C**  
**Colorcon Limited (United Kingdom)**  
**Case No. (06-05)**  
**Schedule of Alleged Violations of Section 760.5, Failure to Report Receipts of Boycott Requests**

Item	Document/ Order No.	Date Request Received on or about	Boycotting Country	Boycott Request
1	E-mail 026063	11-7-01	Syria	... 1. Original Invoice bearing the necessary declarations (Pls. refer to previous invoices)...
2	E-mail 030301	5-27-02	Syria	... e.g. the invoice did not mention any declaration concerning the manufacturer, the Origin of goods, no material from Israel, ... (Please... amend the invoice accordingly).
3	Shipping Instructions 158855	11-4-03	Syria	... The Invoice should state: ... We certify ... that no material is produced by Israel for the production or preparation of these goods.
4	Shipping Instructions 179747	3-18-04	Syria	... • The following text should be mentioned in the invoice: ... 5- We certify ... that no material is produced by Israel for the production or preparation of these goods. 6- We are fully aware of the Syrian Legislation concerning the Boycott of Israel and undertake to comply with it"
5	Order Confirmation 222856	12-5-04	Syria	... Shipping Documents requirements are: ... Invoice should bear the following declaration: ... 4. We declare that no raw materials of Israeli Origin have been used for the production or preparation of the goods." 5. We certify ... that the vessel is not banned entry to the ports if [sic] the Arab States for any reason what sour [sic] under the laws and regulations of such states.

6	Shipping Instructions 232775	1-9-05	Syria	<p>... •The following text should be mentioned in the invoice: . . . 5- We certify . . . that no material is produced by Israel for the production or preparation of these goods. 6- We are fully aware of the Syrian Legislation concerning the Boycott of Israel and undertake to comply with it”</p>
7	Shipping Instructions 243595	4-5-05	Syria	<p>... <b><u>The Invoice should mention:</u></b> . . . We declare that no Israel origin materials were used in the production or preparation of the said goods.</p>