

UNITED STATES OF AMERICA  
DEPARTMENT OF COMMERCE

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)  
In the Matter of )  
)  
The SABRE Group, Inc. )  
)  
\_\_\_\_\_ )

Case No. 98-15

ORDER

The Office of Antiboycott Compliance, Bureau of Export Administration, U.S. Department of Commerce ("Department"), having determined to initiate an administrative proceeding pursuant to Section 11(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1998)) (the "Act")<sup>1</sup> and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-744 (1998)), against The SABRE Group, Inc. ("SGI"), a domestic concern resident in the State of Texas, based on the allegations set forth in the Proposed Charging Letter, dated April 9, 1999, attached hereto and incorporated by this reference;

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<sup>1</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997, (3 C.F.R., 1997 Comp. 306 (1998)) and August 13, 1998, (63 Fed. Reg. 44121, August 17, 1998), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1998)).

The Department and SGI having entered into a Settlement Agreement, incorporated herein by this reference, whereby the parties have agreed to settle this matter; and

I, the Assistant Secretary for Export Enforcement, having approved the terms of the Settlement Agreement:

IT IS THEREFORE ORDERED THAT,

FIRST, a civil penalty in the amount of \$5,000 is assessed against SGI;

SECOND, SGI shall pay to the Department the sum of \$5,000 within thirty days of the date of this Order, as specified in the attached instructions.

THIRD, pursuant to the Debt Collection Act of 1982, as amended (U.S.C.A. §§ 3701-3720E (1983 and Supp. 1998)), 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, SGI will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

FOURTH, as authorized by Section 11(d) of the Act, the timely payment of the sum of \$5,000 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 SGI. Accordingly, if SGI should fail to pay the sum of \$5,000 in a timely manner, I will enter an Order under the authority of Section 11(d) of the Act denying all of SGI's export privileges for a period of one year from the date of the entry of this Order; and

FIFTH, 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 SGI.

This Order is effective immediately.

  
\_\_\_\_\_  
F. Amanda DeBusk  
Assistant Secretary for Export Enforcement  
Bureau of Export Administration

Entered this 20<sup>th</sup> day of May, 1999

Attachments

**INSTRUCTIONS FOR PAYMENT OF SETTLEMENT AMOUNT**

1. The checks should be made payable to:

**U.S. DEPARTMENT OF COMMERCE**

2. The checks should be mailed to:

**U.S. Department of Commerce  
Bureau of Export Administration  
Room 6881  
14th & Constitution Avenue, N.W.  
Washington, D.C. 20230**

**Attention: Miriam Cohen**

**NOTICE**

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty and the rights, if any, that SGI may have to seek review, both within the U.S. Department of Commerce and the courts. It also specifies the amount owed and the dates by which payment of the civil penalty is due and payable.

Under the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 1998)) and the Federal Claims Collection Standards (4 C.F.R. Parts 101-105 (1998)), 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 SGI 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.A. § 3717 and 4 C.F.R. § 102.13.

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 SGI 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.A. § 3717 and 4 C.F.R. § 102.13.

The foregoing constitutes the initial written notice and demand to SGI in accordance with Section 102.2(b) of the Federal Claims Collection Standards (4 C.F.R. § 102.2(b)).



initiate an administrative proceeding against SGI pursuant to Section 11(c) of the Act by issuing the Proposed Charging Letter, dated April 9, 1999, a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, SGI 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; SGI fully understands the terms of this Settlement Agreement, and enters into this Settlement Agreement voluntarily and with full knowledge of its rights; and SGI states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, SGI 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, SGI agrees to be bound by the appropriate Order ("Order") when entered;

NOW THEREFORE, SGI and the Department agree as follows:

1. Under the Act and the Regulations, the Department has jurisdiction over SGI with respect to the matters alleged in the Proposed Charging Letter.

2. In complete settlement of all matters set forth in the Proposed Charging Letter, SGI will pay to the Department the amount of \$5,000 within 30 days of the date of the appropriate Order, when entered.
  
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 SGI. Failure to make payment of this amount, in a timely manner, shall result in the denial of all of SGI's export privileges for a period of one year from the date of entry of the appropriate Order.
  
4. Subject to the approval of this Settlement Agreement pursuant to paragraph 9 hereof, SGI hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the appropriate 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 SGI pursuant to this Settlement Agreement and the appropriate Order, when entered; or

- c. seek judicial review or otherwise contest the validity of this Settlement Agreement or the appropriate Order, when entered.
5. The Department, upon entry of the appropriate Order, will not subsequently initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against SGI, with respect to any violation of Section 8 of the Act or Part 769 or redesignated 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 the Department in the course of its investigation.
6. SGI understands that the Department will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the appropriate Order, when entered.
7. This Settlement Agreement is for settlement purposes only, and does not constitute an admission by SGI 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 appropriate Order not entered by the Assistant Secretary for Export Enforcement, the Department may not use this Settlement Agreement against SGI 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 appropriate Order, when entered. This Settlement Agreement shall not 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.
  
- 9. This Settlement Agreement will become binding on the Department only when approved by the Assistant Secretary for Export Enforcement by entering the appropriate Order.

THE SABRE GROUP, INC.

*Robert E. [Signature]*  
 In House Attorney for The SABRE Group, Inc.

Date: April 22, 1999

U.S. DEPARTMENT OF COMMERCE

*Dexter M. Price [Signature]*

Date: May 10, 1999

Dexter M. Price  
 Director  
 Office of Antiboycott Compliance



A635-11

**UNITED STATES DEPARTMENT OF COMMERCE**  
**Bureau of Export Administration**  
Washington, D.C. 20230

**PROPOSED CHARGING LETTER**

**CERTIFIED MAIL -- RETURN RECEIPT REQUESTED**

April 9, 1999

The SABRE Group, Inc.  
P.O. Box 619615, MD 4204  
DFW Airport, TX 75261-9615

Re: Case No. 98-15

Gentlemen:

We have reason to believe and charge that you, The SABRE Group, Inc. ("SGI"), have committed two (2) violations of the Export Administration Regulations, currently codified at 15 C.F.R. Parts 730-774 (1998) (the "Regulations"), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1998)) (the "Act").<sup>1</sup> We charge that you committed one violation of Section 760.2(a) of the Regulations, in that with intent to comply with, further or support an unsanctioned boycott, you, on one occasion, knowingly agreed to refuse to do business with other persons pursuant to a requirement of or a request from or on behalf of a boycotting country.

You are also charged with one violation of Section 760.5 of the Regulations in that you failed to report in a timely manner to the Department, your receipt of a request to engage in a restrictive trade practice or boycott.

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<sup>1</sup>The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996, (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)) and August 13, 1998 (63 Fed. Reg. 44121, August 17, 1998), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1998)).



We allege that:

1. You are a domestic concern resident in the State of Texas and, as such, you are a United States person as defined in Section 760.1(b) of the Regulations.
2. Between October 1997 and July 1998, you negotiated and entered into a contract with the Pakistan International Airlines Corporation ("PIA") to provide consultation and management services between the United States and the Pakistan, an activity in the interstate or foreign commerce of the United States as defined in Section 760.1(d) of the Regulations.
3. In connection to the contract referred to in paragraph 2 above, on or about October 14, 1997, you received a request for proposal, responded to and negotiated the contract.
4. On March 14, 1998, you received and signed the final contract which contained the following clause:

21. Assignment and Subcontracting. . . [SGI] will not assign or subcontract any of its obligations under this Agreement to any person who is a national of or resident in or domiciled in, or company or entity incorporated or having its principal place of business in, any of the countries listed in Exhibit C, or any company or entity directly or indirectly owned, managed or controlled by any such person, company or entity.

5. Also, in connection with the contract referred to in paragraphs 2 through 4 above, the exhibit referred to reads as follows:

EXHIBIT C

[SGI] will not assign or subcontract any of its obligations under this Agreement to any person who is a national of or resident in or domiciled in, or company or entity incorporated or having its principal place of business in . . . Israel or any company or entity directly or indirectly owned, managed or controlled by any such person, company or entity.

6. By signing the contract without amending, deleting or otherwise taking some affirmative form of exception, you knowingly agreed to refuse to do business with other persons pursuant to a requirement of or a request from or on behalf of a boycotting country, an activity prohibited by Section 760.2(a), and not excepted.

7. In connection with the contract discussed in paragraphs 2 through 6 above, you failed to report to the Department as directed by Section 760.5 of the Regulations your receipt of the request to engage in a restrictive trade practice or boycott. By failing to so report, you are in violation of Section 760.5 of the Regulations. We charge you with one violation 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>2</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.

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.

As provided in Section 766.3, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between BXA 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

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<sup>2</sup>Administrative sanctions may include any or all the following:

- a. The maximum civil penalty of \$10,000 per violation (see § 764.3(a)(1) of the Regulations);
- b. Denial of export privileges (see § 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice (see § 764.3(a)(3) of the Regulations).

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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 Export Administration at:

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

Attention: Pamela P. Dougherty, Esq.

Mrs. Dougherty can be reached by telephone at (202) 482-5311.

Sincerely,

Dexter M. Price  
Director  
Office of Antiboycott Compliance

UNITED STATES DEPARTMENT OF  
**COMMERCE**  
**NEWS**

WASHINGTON, D.C. 20230

A635-15  
BUREAU OF  
EXPORT  
ADMINISTRATION

FOR IMMEDIATE RELEASE

Date: May 20, 1999

www.bxa.doc.gov

CONTACTS: Susan Hofer

Eugene Cottilli

202-482-2721

## TEXAS COMPANY SETTLES ANTIBOYCOTT CHARGES

WASHINGTON -- The SABRE Group, Inc., a Texas provider of travel-related products and services, agreed to a \$5,000 civil penalty to settle charges that it committed two violations of the antiboycott provisions of the Export Administration Regulations, Commerce Assistant Secretary for Export Enforcement, F. Amanda DeBusk, announced.

The Department alleged that SABRE violated the antiboycott provisions in 1998 when it agreed to a request in a contract with a Pakistani company which required SABRE to refuse to subcontract any work to Israeli-based businesses or individuals. The Department also alleged that SABRE failed to promptly report the request, as the regulations require.

SABRE voluntarily disclosed the transaction that led to the allegations and fully cooperated with the Department's investigation. While neither admitting nor denying the allegations, SABRE agreed to pay the civil penalty.

The antiboycott provisions prohibit U.S. companies and individuals from complying with certain aspects of unsanctioned foreign boycotts against any country friendly to the United States that is not itself the object of any U.S. boycott. Through its Office of Antiboycott Compliance, the Commerce Department investigates alleged violations, provides support in administrative or criminal litigation of cases, and prepares cases for settlement.