
UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

BUREAU OF
EXPORT
ADMINISTRATION

FOR IMMEDIATE RELEASE:
March 2, 2000
www.bxa.doc.gov

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(202) 482-2721
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TEXAS FREIGHT FORWARDER SETTLES ANTIBOYCOTT CHARGES

WASHINGTON -- U.S. Department of Commerce Assistant Secretary for Export Enforcement, F. Amanda **DeBusk**, today announced a \$20,000 civil penalty imposed on Panalpina, Inc., a Humble, Texas, **freight** forwarder, to settle allegations that Panalpina committed 10 violations of the antiboycott provisions of the Export Administration Regulations (EAR).

Panalpina is a U.S. subsidiary of a Swiss company. The Department of Commerce alleged that on ten occasions during 1996, Panalpina furnished, to persons in Saudi Arabia, information concerning other persons' business relationships with Israel. Furnishing such information for boycott purposes is prohibited by the EAR.

The antiboycott provisions of the Export Administration Act and Regulations prohibit U.S. companies and individuals from complying with certain aspects of unsanctioned foreign boycotts maintained against any country **friendly** to the United States that is not itself the object of any form of U.S. sanctioned boycotts. 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.

UNITED STATES OF AMERICA

DEPARTMENT OF COMMERCE

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In the Matter of)
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Panalpina, Inc.)
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Case No. 97-3

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 1 l(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 and Supp. 1999)) (the “**Act**”)¹ and the Export Administration Regulations (currently codified at 15 C.F.R Parts 730-774 (1999))(the “**Regulations**”), against Panalpina, Inc. (“Panalpina”), a domestic concern resident in the State of Texas, based on allegations set forth in the Proposed Charging Letter, dated October 6, 1999, attached hereto and incorporated herein by this reference;

¹The 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)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August **10, 1999**, (64 Fed. Reg. 44 10 1, August 13, **1999**), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).

The Department and Panalpina 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 ORDERED THAT,

FIRST, a civil penalty of \$20,000 is assessed against Panalpina;

SECOND, Panalpina shall pay to the Department in complete settlement of this matter the sum of \$20,000 within thirty days of service upon it of this Order, as specified in the attached instructions.

THIRD, pursuant to the Debt Collections Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 1999)), 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, Panalpina 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

\$20,000 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 Panalpina. Accordingly, if Panalpina should fail to pay the sum of \$20,000 in the manner prescribed by this Order, I will enter an Order under the authority of Section 1 l(d) of the Act denying all of Panalpina'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 Panalpina.

This Order is effective immediately.



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

Entered this 7th day of March, 2000

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:

Ms. Zoraida Vazquez
U.S. Department of Commerce
Bureau of Export Administration
Room 688 1
14th & Constitution Avenue, N.W.
Washington, D.C. 20230

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 Panalpina may have to seek review, both within the U.S. Department of Commerce and the courts. 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.A. §§ 3701-3720E (1983 and Supp. 1999)) and the Federal Claims Collection Standards (4 C.F.R. Parts 101-105 (1999)), 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 Panalpina 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 Panalpina 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 Panalpina in accordance with Section 102.2(b) of the Federal Claims Collection Standards (4 C.F.R. § 102.2(b)).

UNITED STATES OF AMERICA

DEPARTMENT OF COMMERCE

In the Matter of)
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Panalpina, Inc.) Case No. 97-3
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SETTLEMENT AGREEMENT

This agreement is made by and between Panalpina, Inc. (“Panalpina”), a domestic concern resident in the State of Texas, and the Office of Antiboycott Compliance, Bureau of Export Administration, United States Department of Commerce (“Department”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1999)) (the “Regulations”), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 and Supp. 1999)) (the “Act”).’

‘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)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999, (64 Fed. Reg. 44 10 1, August 13, 1999), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).

WHEREAS, the Department has notified Panalpina of its intention to initiate an administrative proceeding against Panalpina pursuant to Section 1 l(c) of the Act by issuing the Proposed Charging Letter dated October 6, 1999, a copy of which is attached hereto and incorporated herein by this reference; and

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

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

NOW, THEREFORE, Panalpina and the Department agree as follows:

1. Under the Act and the Regulations, the Department has jurisdiction over Panalpina

with respect to the matters alleged in the Proposed Charging Letter.

2. The Department will impose a civil penalty on Panalpina in the amount of \$20,000. Panalpina will pay to the Department, within 30 days of service upon it of the Order, when entered, the amount of \$20,000 in complete settlement of all matters set forth in the Proposed Charging Letter.
3. As authorized by Section 1 l(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 Panalpina. Failure to make payment of this amount shall result in the denial of all of Panalpina'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, Panalpina 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 Panalpina 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. The Department, 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 Panalpina, 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. Panalpina understands that the Department 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 Panalpina 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, the Department may not use this Settlement Agreement against Panalpina 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 Panalpina's right to challenge any action brought by any other agency based on a referral by the Department or any employee thereof, in contravention of paragraph 5 of this Settlement Agreement.

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

Panalpina, Inc.



DATE: 12-17-99

U.S. DEPARTMENT OF COMMERCE



DATE: 1-14-2000

Dexter M. Price
Director
Office of Antiboycott Compliance