

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF EXPORT ADMINISTRATION  
WASHINGTON, D.C. 20230

0000010

\_\_\_\_\_  
In the Matter of: )  
)  
GOLD VALLEY TECHNOLOGY COMPANY )  
2/F 626 Building )  
79 Fuxing Road )  
Beijing )  
People's Republic of China, )  
)  
Respondent \_\_\_\_\_)

Docket No: 98-BXA-12

ORDER

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), having initiated an administrative proceeding against Gold Valley Technology Company (Gold Valley) pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the Act),<sup>1</sup> and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1999)) (the Regulations),<sup>2</sup> based on allegations that, on or about September 24, 1993, Gold

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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)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (64 Fed. Reg. 44101 (August 13, 1999)), continued the Regulations in effect under the International Emergency Economic Powers Act (currently codified at 50 U.S.C.A. §§ 1701-1706 (1991 & supp. 1999)).

<sup>2</sup> The violations at issue occurred in 1993. The Regulations governing the violations at issue are found in the 1993 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1993)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the "former Regulations. " Since that time, the Regulations have been restructured and reorganized; the reorganized and restructured Regulations establish the procedures that apply to this matter.

Valley, through its agent, caused a shipment of Sun workstations, including related equipment, software and peripherals, from the United States to the People's Republic of China, knowing or having reason to know that the shipment was contrary to a condition on the license issued by BXA for the export, in violation of Sections 787.2 and 787.4(a) of the former Regulations, and;

BXA and Gold Valley having entered into a Settlement Agreement pursuant to Section 766.18(b) of the Regulations whereby they 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:

FIRST, a civil penalty of \$20,000 is assessed against Gold Valley, \$10,000 of which shall be paid to the U.S. Department of Commerce within 30 days of the date of entry of an appropriate Order. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$10,000 shall be suspended for a period of one year from the date of the entry of this Order and shall thereafter be waived, provided that, during the period of suspension, Gold Valley has committed no violation of the Act, or any regulation, order, or license issued thereunder.

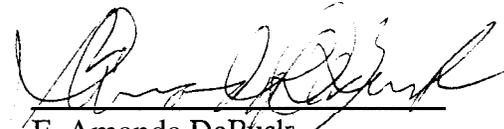
SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 1999)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Gold Valley will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that, as authorized by Section 11(d) of the Act, 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, permission, or privilege granted, or to be granted, to Gold Valley. Accordingly, if Gold Valley should fail to pay the civil penalty set forth above in a timely manner, the undersigned will enter an Order under the authority of Section 11(d) of the Act denying all of Gold Valley's export privileges for a period of one year from the date of this Order.

FOURTH, that a copy of this Order shall be delivered to the United States Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202-4022, notifying that office that this case is withdrawn from adjudication, as provided by Section 766.18(b) of the Regulations.

FIFTH, that the 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.

  
F. Amanda DeBusk  
Assistant Secretary  
for Export Enforcement

Entered this 21<sup>st</sup> day of December 1999.

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF EXPORT ADMINISTRATION  
WASHINGTON, D.C. 20230

In the Matter of:	)	
	)	
GOLD VALLEY TECHNOLOGY COMPANY	)	
2/F 626 Building	)	
79 Fuxing Road	)	Docket No: 98-BXA-12
Beijing	)	
People's Republic of China,	)	
	)	
Respondent	)	

SETTLEMENT AGREEMENT

This Agreement is made by and between Gold Valley Technology Company (Gold Valley) and the Bureau of Export Administration, United States Department of Commerce, pursuant to Section 766.18(b) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1999)) (the Regulations),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the Act).<sup>2</sup>

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<sup>1</sup> The violations at issue occurred in 1993. The Regulations governing the violations at issue are found in the 1993 version of the Code of Federal Regulations (15 C. F.R. Parts 768-799 (1993)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the "former Regulations. " Since that time, the Regulations have been restructured and reorganized; the reorganized and restructured Regulations establish the procedures that apply to this matter.

<sup>2</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)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (64 Fed. Reg. 44101 (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 Office of Export Enforcement, Bureau of Export Administration (BXA), has initiated an administrative proceeding against Gold Valley pursuant to the Act and the Regulations by issuing a Charging Letter alleging that, on or about September 24, 1993, Gold Valley, through its agent, caused a shipment of Sun workstations, including related equipment, software and peripherals, from the United States to the People's Republic of China, knowing or having reason to know that the shipment was contrary to a condition on the license issued by BXA for the export, in violation of Sections 787.2 and 787.4(a) of the former Regulations;

WHEREAS, Gold Valley received notice of issuance of the Charging Letter pursuant to Section 766.3(b) of the Regulations;

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

WHEREAS, Gold Valley neither admits nor denies the allegations contained in the Charging Letter;

WHEREAS, Gold Valley wishes to settle and dispose of all matters alleged in the Charging Letter by entering into this Settlement Agreement, and;

WHEREAS, Gold Valley agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered (appropriate Order);

NOW THEREFORE, Gold Valley and BXA agree as follows:

1. BXA has jurisdiction over Gold Valley, under the Act and the Regulations, in connection with the matters alleged in the Charging Letter.
2. BXA and Gold Valley agree that the following sanction shall be imposed against Gold Valley in complete settlement of all alleged violations of the Act and the former Regulations set forth in the Charging Letter:
  - (a) Gold Valley shall be assessed a civil penalty of \$20,000, \$10,000 of which shall be paid to the U.S. Department of Commerce within 30 days of the date of entry of an appropriate Order. Payment of the remaining \$10,000 shall be suspended for a period of one year from the date of the entry of the appropriate Order and shall thereafter be waived, provided that, during the period of suspension, Gold Valley has committed no violation of the Act, or any regulation, order, or license issued thereunder.
  - (b) As authorized by Section 11(d) of the Act, the timely payment of the civil penalty agreed to in paragraph 2a. 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 Gold Valley. Failure to make timely payment of the civil penalty set forth above shall result in the denial of all of Gold Valley's export privileges for a period of one year from the date of entry of the appropriate Order imposing the civil penalty.

3. Gold Valley agrees that, subject to the approval of this Settlement Agreement pursuant to paragraph 8 hereof, it 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: (a) to an administrative hearing regarding the allegations in the Charging Letter; (b) to request a refund of the civil penalty imposed pursuant to this Settlement Agreement and the appropriate Order, when entered; and (c) to seek judicial review or otherwise to contest the validity of this Settlement Agreement or the appropriate Order, when entered.

4. BXA agrees that, upon entry of the appropriate Order, it will not initiate any administrative proceeding against Gold Valley in connection with any violations of the Act or the Regulations arising out of the transaction identified in the Charging Letter.

5. Gold Valley understands that BXA will make the Charging Letter, this Settlement Agreement and the appropriate Order, when entered, available to the public.

6. BXA and Gold Valley agree that this Settlement Agreement is for settlement purposes only. Therefore, if this Settlement Agreement is not accepted and an appropriate Order is not issued by the Assistant Secretary for Export Enforcement pursuant to Section 766.18(b) of the Regulations, BXA and Gold Valley agree that they may not use this Settlement Agreement in any administrative or judicial proceeding and that neither party shall be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.

7. 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, nor shall this Settlement Agreement serve to 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 addressed herein.

8. This Settlement Agreement shall become binding on BXA only when the Assistant Secretary for Export Enforcement approves it by entering an appropriate Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

BUREAU OF EXPORT ADMINISTRATION  
U.S. DEPARTMENT OF COMMERCE

GOLD VALLEY  
TECHNOLOGY COMPANY

BY: Cecil Hunt  
Cecil Hunt  
Acting Chief Counsel  
Office of the Chief Counsel  
for Export Administration

BY: Jianping He  
Jianping He  
Chief Executive of Beijing Office

Date: 16 Dec 1999

Date: Dec, 8, 1999



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

000009

SEP 11 1998

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Gold Valley Technology Company

with addresses at

2/F 626 Building, 79 Fuxing Road  
Beijing, People's Republic of China

Attention: Guozen Duan  
Chief Executive of Beijing Office  
Vice President

and

Unit B, 10/F, Lin Fung Centre  
184- 186 Texaco Road  
Tsuen Wan, New Territories, Hong Kong

Attention: Kin Wa Lau  
President

Dear Sirs:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described in detail below, Gold Valley Technology Company (Gold Valley) has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1998)) (the Regulations),\* issued

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<sup>1</sup> The alleged violations occurred in 1993. The Regulations governing the violations at issue are found in the 1993 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1993)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to this matter.



pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1998)) (the Act).<sup>2</sup>

Facts constituting violations:

Charges 1-

On or about September 24, 1993, Gold Valley, through its agent, caused the shipment of Sun workstations, including related equipment, software and peripherals, to China Xiao Feng Technology & Equipment Company (China Xiao Feng). At the time of the shipment, Gold Valley knew or had reason to know that shipment of the goods to China Xiao Feng was contrary to the conditions on the license issued by BXA for the export. BXA alleges that, by causing the doing of an act prohibited by the Act or any regulation, order, or license issued thereunder, Gold Valley violated Section 787.2 of the former Regulations. BXA also alleges that by, ordering the export of commodities from the United States with knowledge or reason to know that a violation of the Act or any regulation, order, or license issued thereunder occurred, was about to occur, or was intended to occur, Gold Valley violated Section 787.4(a) of the former Regulations.

BXA alleges that Gold Valley committed one violation each of Sections 787.2 and 787.4(a), for a total of two violations of the former Regulations each of which involved commodities controlled for reasons of national security under Section 5 of the Act.

Accordingly, Gold Valley 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 \$10,000 per violation or, for a violation of national security controls, \$100,000 per violation (~~see~~ Section 764.3(a)(1) of the Regulations);

Denial of export privileges (~~see~~ Section 764.3(a)(2) of the Regulations); and/or

Exclusion from practice before BXA (~~see~~ Section 764.3(a)(3) of the Regulations).

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<sup>2</sup> The Act expired 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)).

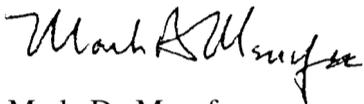
Copies of relevant Parts of the Regulations are enclosed.

If Gold Valley fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter as provided in Section 766.6 of the Regulations, that failure will be treated as a default under Section 766.7.

Gold Valley is further notified that it is entitled to an agency hearing on the record as provided by Section 13(c) of the Act and Section 766.6 of the Regulations, if a written demand for one is filed with its answer, to be represented by counsel, and to seek a consent settlement.

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. Accordingly, Gold Valley's answer should be filed with the U.S. Coast Guard ALJ Docketing Center, 40 S. Gay Street, Baltimore, Maryland 21202-4022, in accordance with the instructions in Section 766.5(a) of the Regulations. In addition, a copy of Gold Valley's answer should be served on BXA at the address set forth in Section 766.5(b), adding "ATTENTION: Mi-Yong Kim, Esq. " below the address. Ms. Kim may be contacted by telephone at (202) 482-53 11.

Sincerely,



Mark D. Menefee  
Director  
Office of Export Enforcement

Enclosures