

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

In the Matter of:

Fulfill Your Packages Inc.
d/b/a HTCT LLC
15617 NE Airport Way
Portland, Oregon 97230

Respondent

ORDER RELATING TO
FULFILL YOUR PACKAGES INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Fulfill Your Packages Inc., d/b/a HTCT LLC, of Portland, Oregon (“FYP”), of its intention to initiate an administrative proceeding against FYP pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),² through the issuance of a Proposed Charging Letter to FYP that alleges that FYP committed one violation of the Regulations. Specifically, the charge is:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2016). The charged violation occurred in 2014. The Regulations governing the violation at issue are found in the 2014 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2016 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (available at <http://uscode.house.gov>). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13,222 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 7, 2015 (80 Fed. Reg. 48,233 (Aug. 11, 2015)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq.) (2006 & Supp. IV 2010).

Charge 1 15 C.F.R. § 764.2(h) - Evasion

In or about June 2014, FYP engaged in a transaction or took other actions with intent to evade the Regulations in connection with the intended export of a FLIR thermal imaging camera, an item subject to the Regulations, classified as Export Control Classification Number (“ECCN”) 6A003.b.4, controlled for national security and regional stability reasons, and valued at approximately \$2,617. Section 742.4 of the Regulations requires a license for national security reasons for the export of the item to the People’s Republic of China (“China”). Section 758.1(b) of the Regulations requires the filing of Electronic Export Information (“EEI”) in the Automated Export System (“AES”) in connection with an export, including an export by U.S. mail, of an item subject to the Regulations when the export requires a license or when the value of the item to be exported is more than \$2,500. Under Section 758.1(e), the person who transmits EEI to the AES is responsible for the truth, accuracy, and completeness of the EEI, except insofar as that person can demonstrate that he or she reasonably relied on information furnished by others.

FYP is a company based in Oregon that allows its foreign customers in China to use its U.S. domestic address for the purchase and delivery of items from U.S. companies. After FYP receives shipments on behalf of its foreign customers from U.S. suppliers or manufacturers, it repackages and/or relabels the items for export to China.

On or about June 5, 2014, an FYP customer purchased a FLIR thermal imaging camera from a U.S. distributor located in Florida for delivery to FYP’s offices in Oregon and for ultimate export to China. The FYP customer did not indicate when placing the order with the U.S. distributor that the item was to be exported to China. The shipment from the distributor to FYP included an invoice dated June 5, 2014, that stated, “This product is export-controlled under ECCN 6A003.b.4.b, and it is a violation of U.S. law to export this product to certain countries without an export license issued by the U.S. Department of Commerce (www.bis.doc.gov).” In addition, a label affixed to the item noted that the item was “subject to the U.S. Department of Commerce Export Control Regulations and must not be exported outside the U.S. or Canada without a US Export license.”

FYP received the shipment from the U.S. distributor on or about June 9, 2014. In preparing to export the thermal imaging camera to China, FYP prepared a United States Postal Service (“USPS”) shipping label and customs declaration falsely describing the item as “metal parts” and as valued at \$255, even though FYP’s order system described the items as an infrared webcam/surveillance camera installation kit, and even though the U.S. distributor’s invoice included in the package delivered to FYP described the item as a thermal imaging camera and stated its value as \$2,617. In addition, although the package was about to be picked up at FYP by the USPS, FYP had not sought or obtained the required Department of Commerce export license prior to the export being thwarted by BIS’s Office of Export Enforcement on June 10, 2014.

In so doing, FYP intended to evade its obligation to file EEI in the AES, its obligation to provide true, accurate and complete EEI information, and its obligation to obtain an

export license in connection with the transaction, and thereby violated Section 764.2(h) of the Regulations.

WHEREAS, BIS and FYP have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations, whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein; and

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, FYP shall be assessed a civil penalty in the amount of \$250,000. The payment of \$60,000 shall be made to the U.S. Department of Commerce within 30 days of the date of the Order. Payment of the remaining \$190,000 shall be suspended for a period of two years from the date of the Order, and thereafter shall be waived, provided that during this two-year payment probationary period under the Order, FYP has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$60,000 as set forth above.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), 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, FYP will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the full and timely payment of the civil penalty in accordance with the payment schedule set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to FYP. Accordingly, if FYP should fail to pay the

civil penalty in a full and timely manner, the undersigned may issue an order denying all of FYP's export privileges under the Regulations for a period of one year from the date of failure to make such payment.

FOURTH, FYP shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or the Order. The foregoing does not affect FYP's testimonial obligations in any proceeding, nor does it affect its right to take legal or factual positions in civil litigation or other civil proceedings in which the U.S. Department of Commerce is not a party.

FIFTH, that the Proposed 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.



David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Issued this 17th day of June, 2016.

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

In the Matter of:

Fulfill Your Packages Inc.
d/b/a HTCT LLC
15617 NE Airport Way
Portland, Oregon 97230

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Fulfill Your Packages Inc., d/b/a HTCT LLC, of Portland, Oregon (“FYP”), and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively, the “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (the “Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (the “Act”).²

WHEREAS, BIS has notified FYP of its intentions to initiate an administrative proceeding against FYP, pursuant to the Act and the Regulations;

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2016). The charged violation occurred in 2014. The Regulations governing the violation at issue are found in the 2014 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2016 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (available at <http://uscode.house.gov>). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13,222 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 7, 2015 (80 Fed. Reg. 48,233 (Aug. 11, 2015)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq.) (2006 & Supp. IV 2010).

WHEREAS, BIS has issued a Proposed Charging Letter to FYP that alleges that FYP committed one violation of the Regulations, specifically:

Charge 1 15 C.F.R. § 764.2(h) - Evasion

In or about June 2014, FYP engaged in a transaction or took other actions with intent to evade the Regulations in connection with the intended export of a FLIR thermal imaging camera, an item subject to the Regulations, classified as Export Control Classification Number (“ECCN”) 6A003.b.4, controlled for national security and regional stability reasons, and valued at approximately \$2,617. Section 742.4 of the Regulations requires a license for national security reasons for the export of the item to the People’s Republic of China (“China”). Section 758.1(b) of the Regulations requires the filing of Electronic Export Information (“EEI”) in the Automated Export System (“AES”) in connection with an export, including an export by U.S. mail, of an item subject to the Regulations when the export requires a license or when the value of the item to be exported is more than \$2,500. Under Section 758.1(e), the person who transmits EEI to the AES is responsible for the truth, accuracy, and completeness of the EEI, except insofar as that person can demonstrate that he or she reasonably relied on information furnished by others.

FYP is a company based in Oregon that allows its foreign customers in China to use its U.S. domestic address for the purchase and delivery of items from U.S. companies. After FYP receives shipments on behalf of its foreign customers from U.S. suppliers or manufacturers, it repackages and/or relabels the items for export to China.

On or about June 5, 2014, an FYP customer purchased a FLIR thermal imaging camera from a U.S. distributor located in Florida for delivery to FYP’s offices in Oregon and for ultimate export to China. The FYP customer did not indicate when placing the order with the U.S. distributor that the item was to be exported to China. The shipment from the distributor to FYP included an invoice dated June 5, 2014, that stated, “This product is export-controlled under ECCN 6A003.b.4.b, and it is a violation of U.S. law to export this product to certain countries without an export license issued by the U.S. Department of Commerce (www.bis.doc.gov).” In addition, a label affixed to the item noted that the item was “subject to the U.S. Department of Commerce Export Control Regulations and must not be exported outside the U.S. or Canada without a US Export license.”

FYP received the shipment from the U.S. distributor on or about June 9, 2014. In preparing to export the thermal imaging camera to China, FYP prepared a United States Postal Service (“USPS”) shipping label and customs declaration falsely describing the item as “metal parts” and as valued at \$255, even though FYP’s order system described the items as an infrared webcam/surveillance camera installation kit, and even though the U.S. distributor’s invoice included in the package delivered to FYP described the item as a thermal imaging camera and stated its value as \$2,617. In addition, although the package was about to be picked up at FYP by the USPS, FYP had not sought or obtained the required Department of Commerce export license prior to the export being thwarted by BIS’s Office of Export Enforcement on June 10, 2014.

In so doing, FYP intended to evade its obligation to file EEI in the AES, its obligation to provide true, accurate and complete EEI information, and its obligation to obtain an export license in connection with the transaction, and thereby violated Section 764.2(h) of the Regulations.

WHEREAS, FYP has reviewed the Proposed Charging Letter and is aware of the allegations made against it and the administrative sanctions that could be imposed against it if the allegations are found to be true;

WHEREAS, FYP fully understands the terms of this Agreement and the Order (“Order”) that the Assistant Secretary of Commerce for Export Enforcement will issue if he approves this Agreement as the final resolution of this matter;

WHEREAS, FYP enters into this Agreement voluntarily and with full knowledge of its rights, after having consulted with counsel;

WHEREAS, FYP states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, FYP neither admits nor denies the allegations contained in the Proposed Charging Letter; and

WHEREAS, FYP agrees to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree, for purposes of this Settlement Agreement, as follows:

1. BIS has jurisdiction over FYP, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.

2. The following sanction shall be imposed against FYP in complete settlement of the alleged violation of the Regulations relating to the transaction specifically detailed in the Proposed Charging Letter:

- a. FYP shall be assessed a civil penalty in the amount of \$250,000.

The payment of \$60,000 shall be made to the U.S. Department of Commerce within 30 days of the date of the Order. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$190,000 shall be suspended for a period of two years from the date of the Order, and thereafter shall be waived, provided that during this two-year payment probationary period under the Order, FYP has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$60,000 as set forth above.

b. The full and timely payment of the civil penalty agreed to in Paragraph 2.a is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to FYP. Failure to make full and timely payment of the civil penalty may result in the denial of all of FYP's export privileges under the Regulations for one year from the date of the failure to make such payment.

3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, FYP hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if issued), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if issued; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued. FYP also waives and will not assert

any Statute of Limitations defense, and the Statute of Limitations will be tolled, in connection with any violation of the Act or the Regulations arising out of the transactions identified in the Proposed Charging Letter or in connection with collection of the civil penalty or enforcement of this Agreement and the Order, if issued, from the date of the Order until FYP pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement.

4. FYP shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or the Order. The foregoing does not affect FYP's testimonial obligations in any proceeding, nor does it affect its right to take legal or factual positions in civil litigation or other civil proceedings in which the U.S. Department of Commerce is not a party.

5. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a, BIS will not initiate any further administrative proceeding against FYP in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this

Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

9. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, available to the public.

10. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND
SECURITY
U.S. DEPARTMENT OF COMMERCE



Douglas R. Hassebrock
Director of Export Enforcement

FULFILL YOUR PACKAGES INC.



Ken Wong, President
Fulfill Your Packages Inc.

Date: 6/13/16

Date: 5-26-16

Reviewed and approved by:



Steven Y. Chen, Esq.
Steven Y. Chen, A Professional Law
Corporation
Counsel for Fulfill Your Packages Inc.

Date: 5 26.16

PROPOSED CHARGING LETTER

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Fulfill Your Packages Inc.
d/b/a HTCT LLC
15617 NE Airport Way
Portland, Oregon 97230

*Attention: Ken Wong
President*

Dear Mr. Wong:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Fulfill Your Packages Inc., d/b/a HTCT LLC, of Portland, Oregon (“FYP”), committed one violation of the Export Administration Regulations (the “Regulations”),¹ which issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS alleges that FYP committed the following violation:

Charge 1 15 C.F.R. § 764.2(h) - Evasion

In or about June 2014, FYP engaged in a transaction or took other actions with intent to evade the Regulations in connection with the intended export of a FLIR thermal imaging camera, an item subject to the Regulations, classified as Export Control Classification Number (“ECCN”) 6A003.b.4, controlled for national security and regional stability reasons, and valued at approximately \$2,617. Section 742.4 of the Regulations requires a license for national security reasons for the export of the item to the People’s Republic of China (“China”). Section 758.1(b) of the Regulations requires the filing of Electronic Export Information (“EEI”) in the Automated Export System (“AES”) in connection with an export, including an export by U.S. mail, of an item subject to the Regulations when the export requires a license or when the value of the item to be exported is more than \$2,500. Under Section 758.1(e), the person who transmits EEI to the AES is responsible for the truth, accuracy, and completeness of the EEI, except insofar as that person can demonstrate that he or she reasonably relied on information furnished by others.

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2016). The charged violation occurred in 2014. The Regulations governing the violation at issue are found in the 2014 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2014)). The 2016 Regulations set forth the procedures that currently apply to this matter.

² 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (available at <http://uscode.house.gov>). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13,222 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 7, 2015 (80 Fed. Reg. 48,233 (Aug. 11, 2015)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 & Supp. IV 2010).

FYP is a company based in Oregon that allows its foreign customers in China to use its U.S. domestic address for the purchase and delivery of items from U.S. companies. After FYP receives shipments on behalf of its foreign customers from U.S. suppliers or manufacturers, it repackages and/or relabels the items for export to China.

On or about June 5, 2014, an FYP customer purchased a FLIR thermal imaging camera from a U.S. distributor located in Florida for delivery to FYP's offices in Oregon and for ultimate export to China. The FYP customer did not indicate when placing the order with the U.S. distributor that the item was to be exported to China. The shipment from the distributor to FYP included an invoice dated June 5, 2014, that stated, "This product is export-controlled under ECCN 6A003.b.4.b, and it is a violation of U.S. law to export this product to certain countries without an export license issued by the U.S. Department of Commerce (www.bis.doc.gov)."³ In addition, a label affixed to the item noted that the item was "subject to the U.S. Department of Commerce Export Control Regulations and must not be exported outside the U.S. or Canada without a US Export license."

FYP received the shipment from the U.S. distributor on or about June 9, 2014. In preparing to export the thermal imaging camera to China, FYP prepared a United States Postal Service ("USPS") shipping label and customs declaration falsely describing the item as "metal parts" and as valued at \$255, even though FYP's order system described the items as an infrared webcam/surveillance camera installation kit, and even though the U.S. distributor's invoice included in the package delivered to FYP described the item as a thermal imaging camera and stated its value as \$2,617. In addition, although the package was about to be picked up at FYP by the USPS, FYP had not sought or obtained the required Department of Commerce export license prior to the export being thwarted by BIS's Office of Export Enforcement on June 10, 2014.

In so doing, FYP intended to evade its obligation to file EEI in the AES, its obligation to provide true, accurate and complete EEI information, and its obligation to obtain an export license in connection with the transaction, and thereby violated Section 764.2(h) of the Regulations.

* * * * *

Accordingly, FYP 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, but not limited to any or all of the following:

- The maximum civil penalty allowed by law of up to the greater of \$250,000 per violation, or twice the value of the transaction that is the basis of the violation;³
- Denial of export privileges;

³ See International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

If FYP fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. *See* 15 C.F.R. §§ 766.6 and 766.7. If FYP defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to FYP. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

FYP is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. *See* 15 C.F.R. § 766.6. FYP is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. *See* 15 C.F.R. §§ 766.3(a) and 766.4.

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should FYP have a proposal to settle this case, FYP should transmit it to the attorney representing BIS named below.

FYP is further notified that under the Small Business Regulatory Enforcement Flexibility ACT, FYP may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, FYP's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

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

In addition, a copy of FYP's answer must be served on BIS at the following address:

Office of Chief Counsel for Industry and Security
Room H-3839
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230
Attention: R. Elizabeth Abraham

Fulfill Your Packages Inc.
Proposed Charging Letter
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R. Elizabeth Abraham is the attorney representing BIS in this case; any communications that FYP may wish to have concerning this matter should occur through her. Ms. Abraham may be contacted by telephone at (202) 482-8050.

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement