

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

In the Matter of:

Technoline SAL  
SAR Center 4th Floor  
Fouad Chehab Street  
Sin El Fil, Beirut  
Lebanon

Respondent

ORDER RELATING TO  
TECHNOLINE SAL

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Technoline SAL, of Beirut, Lebanon (“Technoline”), of its intention to initiate an administrative proceeding against Technoline pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”), and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),<sup>1</sup> through the issuance of a Proposed Charging Letter to Technoline that alleges that Technoline committed seven violations of the Regulations. Specifically, the charges are:

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2016). The charged violations occurred in 2009-2010. The Regulations governing the violations at issue are found in the 2009-2010 versions 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.

The Act, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (available at <http://uscode.house.gov>), has been in lapse since August 21, 2001, 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 4, 2016 (81 Fed. Reg. 52,587 (Aug. 8, 2016)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq.) (2012).

**Charges 1-7                    15 C.F.R. § 764.2(b): Causing, Aiding, or Abetting a Violation of the Regulations**

Technoline caused, aided, and/or abetted violations of the Regulations on seven occasions between on or about August 20, 2009, and on or about October 21, 2010, when it caused, aided, and/or abetted exports or reexports to Syria of items subject to the Regulations without the required BIS licenses. The items involved were U.S.-origin mass spectrometers, gas chromatographs and consumables, liquid chromatograph-mass spectrometer systems, and liquid chromatograph modules subject to the Regulations, classified under Export Control Classification Number ("ECCN") 3A999, controlled for anti-terrorism reasons, and valued in total at \$583,109.56.

Pursuant to the long-standing U.S. embargo against Syria, a BIS license is and at all times pertinent hereto was required to export or reexport items subject to the Regulations to Syria (with the exception of food and certain medicines), as set forth at all pertinent times in General Order No. 2, codified in Supplement No. 1 to Part 736 of the Regulations.<sup>2</sup> No license was obtained in connection with any of the seven exports or reexports alleged herein.

The items were manufactured by Agilent Technologies, Inc. ("Agilent"), a U.S. company headquartered in California. At all times pertinent hereto, Technoline was an authorized distributor or reseller of Agilent products, including during 2009 and 2010 pursuant to an "International Designated Reseller Program Agreement," under which Technoline acknowledged its awareness of U.S. export control laws and regulations and agreed to comply with them.<sup>3</sup> Technoline had signed such reseller agreements concerning Agilent products at least as early as November 2004, and was aware as early as December 2003, of possible license requirements for exports or reexports of U.S.-origin items to Syria, including via Lebanon, and the potential difficulty of obtaining such authorization from the U.S. Government.<sup>4</sup>

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<sup>2</sup> General Order No. 2 was issued pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003, enacted on December 12, 2003. Subsequent to the transactions and violations alleged herein, the controls on exports and reexports to Syria were moved from General Order No. 2 to Section 746.9 of the Regulations. The licensing requirements continued unchanged. See 76 Fed. Reg. 77,115 (Dec. 12, 2011).

<sup>3</sup> Technoline entered into these agreements for 2009 and 2010 with Agilent Technologies International SARL, a Swiss subsidiary or affiliate of Agilent.

<sup>4</sup> On December 15, 2003, Agilent informed Technoline of BIS's intent to deny an Agilent license application to export items subject to the Regulations to Syria using Technoline as the distributor. Agilent noted that it would not be able to proceed with the delivery of the items, a spectrometer used in testing life science equipment and related accessories, "without the approval from the US authorities" and that it "[did] not see any possibility to obtain an approval given the current regulatory body."

Nonetheless, Technoline ordered the items for customers located in Syria, specifically, Syrian Government ministries or entities, in connection with each of the transactions at issue. Moreover, during the ordering process for each of the transactions, including negotiating a price discount with Agilent and/or an Agilent affiliate, Technoline either falsely identified the ultimate destination of the items as Iraq or Lebanon, destinations for which a BIS license was not required, or failed to disclose that the ultimate destination was Syria and proceeded with the transaction. Once the price terms were agreed upon and the order accepted, Agilent or an Agilent affiliate either shipped the items to Technoline in Beirut, Lebanon via Agilent's German subsidiary, or had items that had been previously exported to Agilent's German subsidiary shipped from Germany to Technoline in Beirut. An order acknowledgement and invoice also were sent to Technoline, both of which specifically stated, "Country of Origin: US." The order acknowledgement also iterated that "[c]ommodities, technology or software exported from the United States of America ("U.S.") or from other exporting countries will be subject to the U.S. Export Administration Regulations and all exporting countries' export laws and regulations. Diversion contrary to U.S. law and the applicable export laws and regulations is prohibited." (Parenthetical in original).<sup>5</sup>

After receiving shipments of the items, Technoline transferred the items to Syria, with these transshipments completing the items' export or reexport to Syria.<sup>6</sup> The items were installed at Syrian Government ministries or entities within a month or two of their shipment to Technoline. No authorization to export the items from the U.S. to Syria, or to reexport them from Germany to Syria, was obtained from BIS for any of the seven exports or reexports alleged herein.<sup>7</sup>

In so doing, Technoline committed seven violations of Section 764.2(b) of the Regulations.

WHEREAS, BIS and Technoline 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

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<sup>5</sup> The order acknowledgement and invoice were sent to Technoline by Agilent's Swiss subsidiary or affiliate.

<sup>6</sup> See 15 C.F.R. § 734.2(b)(6) (2009-2010, 2016) (the export or reexport of items subject to the EAR that will transit through one or more countries to another country or will be transshipped in one country to another country constitute an export or reexport to that country of final or ultimate destination).

<sup>7</sup> The failure to obtain a license required under the Regulations constitutes a violation of Section 764.2(a). 15 C.F.R. § 764.2(a) (2009-2010, 2016).

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

IT IS THEREFORE ORDERED:

FIRST, Technoline shall be assessed a civil penalty in the amount of \$450,000. Payment of \$175,000 shall be made to the U.S. Department of Commerce in five installments as follows: \$35,000 not later than December 15, 2016; \$35,000 not later than April 17, 2017; \$35,000 not later than October 16, 2017; \$35,000 not later than March 15, 2018; and \$35,000 not later than August 15, 2018. Payment of the remaining \$275,000 shall be suspended for a period of two years from the date of this Order, and thereafter shall be waived, provided that during this two-year payment probationary period, Technoline has committed no violation of the Act or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$175,000 as set forth above. If any of the five installment payments is not fully and timely made, any remaining scheduled installment payments and the suspended penalty may become due and owing immediately.

SECOND, 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, Technoline 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, 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 Technoline.

FOURTH, for a period of two (2) years from the date of this Order, Technoline SAL, with a last known address of SAR Center 4th Floor, Fouad Chehab Street, Sin El Fil, Beirut, Lebanon, and when acting for or on its behalf, its successors, assigns, directors, officers, employees, representatives, or agents (hereinafter collectively referred to as "Denied Person"), may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, license exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
- C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

FIFTH, no person may, directly or indirectly, do any of the following:

- A. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Denied Person acquires or attempts to acquire such ownership, possession or control;
- C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Denied Person of any item subject to the Regulations that has been exported from the United States;
- D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
- E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by the Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

SIXTH, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to the Denied Person by affiliation, ownership, control, or position of responsibility in the

conduct of trade or related services may also be made subject to the provisions of this Order.

SEVENTH, as authorized by Section 766.18(c) of the Regulations, the two-year denial period set forth above shall be suspended during a probationary period of two years under this Order, and shall thereafter be waived, provided that Technoline has made full and timely payment as set forth above and has committed no other violation of the Act or the Regulations or any order, license or authorization issued thereunder. If Technoline does not make full and timely payment as set forth above, or during this two-year probationary period commits another violation of the Act or the Regulations or any order, license or authorization issued thereunder, the suspension may be modified or revoked by BIS and a denial order including a two-year denial period activated against Technoline.

EIGHTH, Technoline 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 this Order. The foregoing does not affect Technoline'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.

NINTH, 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 27<sup>th</sup> day of September 2016.

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

In the Matter of:

Technoline SAL  
SAR Center 4th Floor  
Fouad Chehab Street  
Sin El Fil, Beirut  
Lebanon

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Technoline SAL, of Beirut, Lebanon ("Technoline"), 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"), issued pursuant to the Export Administration Act of 1979, as amended (the "Act").<sup>1</sup>

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2016). The charged violations occurred in 2009-2010. The Regulations governing the violations at issue are found in the 2009-2010 versions 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.

The Act, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (available at <http://uscode.house.gov>), has been in lapse since August 21, 2001, 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 4, 2016 (81 Fed. Reg. 52,587 (Aug. 8, 2016)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq.) (2012).

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

WHEREAS, BIS has issued a Proposed Charging Letter to Technoline that alleges that Technoline committed seven violations of the Regulations, specifically:

**Charges 1-7            15 C.F.R. § 764.2(b): Causing, Aiding, or Abetting a Violation of the Regulations**

Technoline caused, aided, and/or abetted violations of the Regulations on seven occasions between on or about August 20, 2009, and on or about October 21, 2010, when it caused, aided, and/or abetted exports or reexports to Syria of items subject to the Regulations without the required BIS licenses. The items involved were U.S.-origin mass spectrometers, gas chromatographs and consumables, liquid chromatograph-mass spectrometer systems, and liquid chromatograph modules subject to the Regulations, classified under Export Control Classification Number ("ECCN") 3A999, controlled for anti-terrorism reasons, and valued in total at \$583,109.56.

Pursuant to the long-standing U.S. embargo against Syria, a BIS license is and at all times pertinent hereto was required to export or reexport items subject to the Regulations to Syria (with the exception of food and certain medicines), as set forth at all pertinent times in General Order No. 2, codified in Supplement No. 1 to Part 736 of the Regulations.<sup>2</sup> No license was obtained in connection with any of the seven exports or reexports alleged herein.

The items were manufactured by Agilent Technologies, Inc. ("Agilent"), a U.S. company headquartered in California. At all times pertinent hereto, Technoline was an authorized distributor or reseller of Agilent products, including during 2009 and 2010 pursuant to an "International Designated Reseller Program Agreement," under which Technoline acknowledged its awareness of U.S. export control laws and regulations and agreed to comply with them.<sup>3</sup> Technoline had signed such reseller agreements concerning Agilent

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<sup>2</sup> General Order No. 2 was issued pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003, enacted on December 12, 2003. Subsequent to the transactions and violations alleged herein, the controls on exports and reexports to Syria were moved from General Order No. 2 to Section 746.9 of the Regulations. The licensing requirements continued unchanged. See 76 Fed. Reg. 77,115 (Dec. 12, 2011).

<sup>3</sup> Technoline entered into these agreements for 2009 and 2010 with Agilent Technologies International SARL, a Swiss subsidiary or affiliate of Agilent.

products at least as early as November 2004, and was aware as early as December 2003, of possible license requirements for exports or reexports of U.S.-origin items to Syria, including via Lebanon, and the potential difficulty of obtaining such authorization from the U.S. Government.<sup>4</sup>

Nonetheless, Technoline ordered the items for customers located in Syria, specifically, Syrian Government ministries or entities, in connection with each of the transactions at issue. Moreover, during the ordering process for each of the transactions, including negotiating a price discount with Agilent and/or an Agilent affiliate, Technoline either falsely identified the ultimate destination of the items as Iraq or Lebanon, destinations for which a BIS license was not required, or failed to disclose that the ultimate destination was Syria and proceeded with the transaction. Once the price terms were agreed upon and the order accepted, Agilent or an Agilent affiliate either shipped the items to Technoline in Beirut, Lebanon via Agilent's German subsidiary, or had items that had been previously exported to Agilent's German subsidiary shipped from Germany to Technoline in Beirut. An order acknowledgement and invoice also were sent to Technoline, both of which specifically stated, "Country of Origin: US." The order acknowledgement also iterated that "[c]ommodities, technology or software exported from the United States of America ("U.S.") or from other exporting countries will be subject to the U.S. Export Administration Regulations and all exporting countries' export laws and regulations. Diversion contrary to U.S. law and the applicable export laws and regulations is prohibited." (Parenthetical in original).<sup>5</sup>

After receiving shipments of the items, Technoline transferred the items to Syria, with these transshipments completing the items' export or reexport to Syria.<sup>6</sup> The items were installed at Syrian Government ministries or entities within a month or two of their shipment to Technoline. No authorization to export the items from the U.S. to Syria, or

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<sup>4</sup> On December 15, 2003, Agilent informed Technoline of BIS's intent to deny an Agilent license application to export items subject to the Regulations to Syria using Technoline as the distributor. Agilent noted that it would not be able to proceed with the delivery of the items, a spectrometer used in testing life science equipment and related accessories, "without the approval from the US authorities" and that it "[did] not see any possibility to obtain an approval given the current regulatory body."

<sup>5</sup> The order acknowledgement and invoice were sent to Technoline by Agilent's Swiss subsidiary or affiliate.

<sup>6</sup> See 15 C.F.R. § 734.2(b)(6) (2009-2010, 2016) (the export or reexport of items subject to the EAR that will transit through one or more countries to another country or will be transshipped in one country to another country constitute an export or reexport to that country of final or ultimate destination).

to reexport them from Germany to Syria, was obtained from BIS for any of the seven exports or reexports alleged herein.<sup>7</sup>

In so doing, Technoline committed seven violations of Section 764.2(b) of the Regulations.

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

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

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

WHEREAS, Technoline 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 Technoline, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.

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<sup>7</sup> The failure to obtain a license required under the Regulations constitutes a violation of Section 764.2(a). 15 C.F.R. § 764.2(a) (2009-2010, 2016).

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

a. Technoline shall be assessed a civil penalty in the amount of \$450,000. Payment of \$175,000 shall be made to the U.S. Department of Commerce in five installments as follows: \$35,000 not later than December 15, 2016; \$35,000 not later than April 17, 2017; \$35,000 not later than October 16, 2017; \$35,000 not later than March 15, 2018; and \$35,000 not later than August 15, 2018. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$275,000 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, Technoline has committed no violation of the Act or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$175,000 as set forth above. If any of the five installment payments is not fully and timely made, any remaining scheduled installment payments and the suspended penalty may become due and owing immediately.

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 Technoline.

c. For a period of two (2) years from the date of the Order, Technoline, with a last known address of SAR Center 4th Floor, Fouad Chehab

Street, Sin El Fil, Beirut, Lebanon, and when acting for or on its behalf, its successors, assigns, directors, officers, employees, representatives, or agents (hereinafter collectively referred to as "Denied Person"), may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- i. Applying for, obtaining, or using any license, License Exception, or export control document;
- ii. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
- iii. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.
- d. BIS agrees that, as authorized by Section 766.18(c) of the Regulations, the two-year denial period set forth in Paragraph 2.c shall be suspended during a probationary period of two years under the Order, and shall thereafter be waived, provided that Technoline has made full and timely payment in accordance with Paragraph 2.a above and has committed no other violation of

the Act or the Regulations or any order, license or authorization issued thereunder. If Technoline does not make full and timely payment in accordance with Paragraph 2.a above, or during the two-year probationary period under the Order commits another violation of the Act or the Regulations or any order, license or authorization issued thereunder, the suspension may be modified or revoked by BIS and a denial order including a two-year denial period activated against Technoline.

3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, Technoline 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) receive 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. Technoline 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 Technoline pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement.

4. Technoline 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 Technoline'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 Technoline 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. If the Order issues, BIS will make the Proposed Charging Letter, this Agreement, and the Order available to the public.

10. Each signatory affirms that he/she has authority to enter into this Settlement Agreement and to bind his/her 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

TECHNOLINE SAL



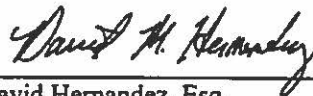
George Bouchikian

CEO  
George Bouchikian  
Chief Executive Officer  
Technoline SAL

Date: September 28, 2016

Date: September 28, 2016

Reviewed and approved by:



David Hernandez, Esq.  
Vedder Price  
Counsel for Technoline SAL

Date: September 26, 2016

**PROPOSED CHARGING LETTER**

**REGISTERED MAIL - RETURN RECEIPT REQUESTED**

Technoline SAL  
SAR Center 4th Floor  
Fouad Chehab Street  
Sin El Fil, Beirut  
Lebanon

*Attention: George Bouchikian  
Chief Executive Officer*

Dear Mr. Bouchikian:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Technoline SAL of Beirut, Lebanon ("Technoline"), has committed seven (7) violations of the Export Administration Regulations (the "Regulations"), which issued pursuant to the authority of the Export Administration Act of 1979, as amended ("the Act").<sup>1</sup> Specifically, BIS alleges that Technoline committed the following violations:

**Charges 1-7                      15 C.F.R. § 764.2(b) – Causing, Aiding, or Abetting a Violation of the Regulations**

As set forth in additional detail in the attached Schedule of Violations, which is incorporated herein, Technoline caused, aided, and/or abetted violations of the Regulations on seven occasions between on or about August 20, 2009, and on or about October 21, 2010, when it caused, aided, and/or abetted exports or reexports to Syria of items subject to the Regulations without the required BIS licenses. The items involved were U.S.-origin mass spectrometers, gas chromatographs and consumables, liquid chromatograph-mass spectrometer systems, and liquid chromatograph modules subject to the Regulations, classified under Export Control Classification Number ("ECCN") 3A999, controlled for anti-terrorism reasons, and valued in total at \$583,109.56.

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2016). The violations alleged occurred in 2009-2010. The Regulations governing the violations at issue are found in the 2009-2010 versions of the Code of Federal Regulations, 15 C.F.R. Parts 730-774 (2009-2010). The 2016 Regulations govern the procedural aspects of this case.

The Act, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (available at <http://uscode.house.gov>), has been in lapse since August 21, 2001, 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 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.* (2012)).

Pursuant to the long-standing U.S. embargo against Syria, a BIS license is and at all times pertinent hereto was required to export or reexport items subject to the Regulations to Syria (with the exception of food and certain medicines), as set forth at all pertinent times in General Order No. 2, codified in Supplement No. 1 to Part 736 of the Regulations.<sup>2</sup> No license was obtained in connection with any of the seven exports or reexports alleged herein.

The items were manufactured by Agilent Technologies, Inc. ("Agilent"), a U.S. company headquartered in California. At all times pertinent hereto, Technoline was an authorized distributor or reseller of Agilent products, including during 2009 and 2010 pursuant to an "International Designated Reseller Program Agreement," under which Technoline acknowledged its awareness of U.S. export control laws and regulations and agreed to comply with them.<sup>3</sup> Technoline had signed such reseller agreements concerning Agilent products at least as early as November 2004, and was aware as early as December 2003, of possible license requirements for exports or reexports of U.S.-origin items to Syria, including via Lebanon, and the potential difficulty of obtaining such authorization from the U.S. Government.<sup>4</sup>

Nonetheless, Technoline ordered the items for customers located in Syria, specifically, Syrian Government ministries or entities, in connection with each of the transactions at issue. Moreover, during the ordering process for each of the transactions, including negotiating a price discount with Agilent and/or an Agilent affiliate, Technoline either falsely identified the ultimate destination of the items as Iraq or Lebanon, destinations for which a BIS license was not required, or failed to disclose that the ultimate destination was Syria and proceeded with the transaction. Once the price terms were agreed upon and the order accepted, Agilent or an Agilent affiliate either shipped the items to Technoline in Beirut, Lebanon via Agilent's German subsidiary, or had items that had been previously exported to Agilent's German subsidiary shipped from Germany to Technoline in Beirut. An order acknowledgement and invoice also were sent to Technoline, both of which specifically stated, "Country of Origin: US." The order

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<sup>2</sup> General Order No. 2 was issued pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003, enacted on December 12, 2003. Subsequent to the transactions and violations alleged herein, the controls on exports and reexports to Syria were moved from General Order No. 2 to Section 746.9 of the Regulations. The licensing requirements continued unchanged. See 76 Fed. Reg. 77,115 (Dec. 12, 2011).

<sup>3</sup> Technoline entered into these agreements for 2009 and 2010 with Agilent Technologies International SARL, a Swiss subsidiary or affiliate of Agilent.

<sup>4</sup> On December 15, 2003, Agilent informed Technoline of BIS's intent to deny an Agilent license application to export items subject to the Regulations to Syria using Technoline as the distributor. Agilent noted that it would not be able to proceed with the delivery of the items, a spectrometer used in testing life science equipment and related accessories, "without the approval from the US authorities" and that it "[did] not see any possibility to obtain an approval given the current regulatory body."

acknowledgement also iterated that “[c]ommodities, technology or software exported from the United States of America (“U.S.”) or from other exporting countries will be subject to the U.S. Export Administration Regulations and all exporting countries’ export laws and regulations. Diversion contrary to U.S. law and the applicable export laws and regulations is prohibited.” (Parenthetical in original).<sup>5</sup>

After receiving shipments of the items, Technoline transferred the items to Syria, with these transshipments completing the items’ export or reexport to Syria.<sup>6</sup> The items were installed at Syrian Government ministries or entities within a month or two of their shipment to Technoline. See attached Schedule of Violations. No authorization to export the items from the U.S. to Syria, or to reexport them from Germany to Syria, was obtained from BIS for any of the seven exports or reexports alleged herein.<sup>7</sup>

In so doing, Technoline committed seven violations of Section 764.2(b) of the Regulations.

\* \* \* \* \*

Accordingly, Technoline 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,<sup>8</sup> or twice the value of the transaction that is the basis of the violation;<sup>9</sup>
- Denial of export privileges;
- Exclusion from practice before BIS, and/or

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<sup>5</sup> The order acknowledgement and invoice were sent to Technoline by Agilent’s Swiss subsidiary or affiliate.

<sup>6</sup> See 15 C.F.R. § 734.2(b)(6) (2009-2010, 2015) (the export or reexport of items subject to the EAR that will transit through one or more countries to another country or will be transshipped in one country to another country constitute an export or reexport to that country of final or ultimate destination).

<sup>7</sup> The failure to obtain a license required under the Regulations constitutes a violation of Section 764.2(a). 15 C.F.R. § 764.2(a) (2009-2010, 2015).

<sup>8</sup> This amount is subject to increase pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Sec. 701 of Public Law 114-74, enacted on November 2, 2015.

<sup>9</sup> See International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

- Any other liability, sanction, or penalty available under law.

If Technoline 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 Technoline defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Technoline. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

Technoline 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. Technoline 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 Technoline have a proposal to settle this case, Technoline should transmit it to the attorney representing BIS named below.

Technoline is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Technoline 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, Technoline'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

Technoline SAL  
Proposed Charging Letter  
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In addition, a copy of Technoline's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Parvin R. Huda and Brian Volsky  
Room H-3839  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Parvin R. Huda and Brian Volsky are the attorneys representing BIS in this case; any communications that Technoline may wish to have concerning this matter should occur through her. Ms. Huda and Mr. Volsky may be contacted by telephone at (202) 482-5301.

Sincerely,

Douglas R. Hassebrock  
Director  
Office of Export Enforcement

Technoline SAL  
Proposed Charging Letter  
Schedule of Violations  
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Charge No.	Date of Shipment to Technoline SAL in Lebanon	Date of Installation in Syria	Description of Items	ECCN	Destination	End User(s)	Technoline Order No.	Value	Violation
1	20-Aug-09	29-Sep-09	Mass Spectrometer, Gas Chromatographs and Consumables	3A999	Syria	Central Food Safety Laboratory	PL09-AG016 GH Q1145	\$67,827.34	15 C.F.R. § 764.2(b)
2	20-Jul-10	11-Aug-10	Liquid Chromatograph-Mass Spectrometer System	3A999	Syria	Ministry of Interior, Forensic Toxicology Lab	PL10-AG032 GH Q1093	\$170,316.27	15 C.F.R. § 764.2(b)
3	20-Jul-10	07-Sep-10	Mass Spectrometer, Gas Chromatographs and Liquid Chromatographs Modules	3A999	Syria	Central Drug Monitoring Lab	PL10-AG032 GH Q1100	\$31,015.45	15 C.F.R. § 764.2(b)
4	06-Aug-10	29-Sep-10	Liquid Chromatograph-Mass Spectrometer System, Mass Spectrometer, Gas Chromatographs, Liquid Chromatograph Modules	3A999	Syria	Ministry of Economy, Central Food Safety Lab, Health Care Product Corp.	PL10-AG032 BIOTA Q1097-10	\$209,847.32	15 C.F.R. § 764.2(b)
5	19-Aug-10	18-Oct-10	Gas Chromatograph	3A999	Syria	Ministry of Health, Drugs Testing Laboratory	PL10-AG035 GH Q1137	\$8,973.88	15 C.F.R. § 764.2(b)
6	25-Aug-10	07-Sep-10	Mass Spectrometer, Gas Chromatographs and Consumables	3A999	Syria	Ministry of Health, Toxicology Centre	PL10-AG035 GH Q1151	\$43,116.88	15 C.F.R. § 764.2(b)
7	09-Sep-10	21-Oct-10	Mass Spectrometer, Gas Chromatographs and Liquid Chromatographs Modules	3A999	Syria	Ministry of Health, Drugs Testing Laboratory	PL10-AG035 GH Q1148	\$52,012.42	15 C.F.R. § 764.2(b)