

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

In the Matter of:)
)
Analytical Technology, Inc.)
6 Iron Bridge Drive)
Collegeville, PA 19426)
)
Respondent)

ORDER RELATING TO ANALYTICAL TECHNOLOGY, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Analytical Technology, Inc. (“ATI”) of its intention to initiate an administrative proceeding against ATI 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 ATI that alleged that ATI committed two (2) violations of the Regulations. Specifically, the charges are:

Charges 1-2 15 C.F.R. § 764.2(a): Engaging in Prohibited Conduct

On two occasions on or about August 28, 2006 and on or about March 7, 2007, ATI engaged in conduct prohibited by the Regulations. Specifically, on or about August 28, 2006, ATI exported from the United States one wire gas transmitter, classified under Export Control Classification

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violations occurred during 2006 and 2007. The Regulations governing the violations at issue are found in the 2006 and 2007 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2006, 2007)). The 2011 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). 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)), as extended most recently by the Notice of August 12, 2010 (75 Fed. Reg. 50,681 (Aug. 16, 2010)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.* (2000)).

Number ("ECCN") 2B351 and valued at \$8,043.75, to the United Arab Emirates ("UAE") without the required export license. Additionally, on or about March 7, 2007, ATI exported from the United States two wire gas transmitters, classified under ECCN 2B351 and valued at \$4,893.75, to the UAE without the required export license. These items are controlled for chemical and biological weapons proliferation reasons and required a license for export to the UAE pursuant to Section 742.2 of the Regulations. In so doing, ATI committed two violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS and ATI 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, that a civil penalty of \$45,000 is assessed against ATI, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

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, ATI 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 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, license exception, permission, or privilege granted, or to be granted, to ATI. Accordingly, if ATI should fail to pay the civil penalty in a timely manner, the undersigned may issue an Order denying all of ATI's export privileges under the Regulations for a period of one year from the date of this Order.

FOURTH, 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 9 day of June, 2011.

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

In the Matter of:)
)
Analytical Technology, Inc.)
6 Iron Bridge Drive)
Collegeville, PA 19426)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Analytical Technology, Inc. (“ATI”) 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 ATI of its intention to initiate an administrative proceeding against ATI, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Proposed Charging Letter to ATI that alleged that ATI committed two (2) violations of the Regulations, specifically:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2011). The charged violations occurred during 2006 and 2007. The Regulations governing the violations at issue are found in the 2006 and 2007 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2006, 2007)). The 2011 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). 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)), as extended most recently by the Notice of August 12, 2010 (75 Fed. Reg. 50,681 (Aug. 16, 2010)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.* (2000)).

Charges 1-2 15 C.F.R. § 764.2(a): Engaging in Prohibited Conduct

On two occasions on or about August 28, 2006 and on or about March 7, 2007, ATI engaged in conduct prohibited by the Regulations. Specifically, on or about August 28, 2006, ATI exported from the United States one wire gas transmitter, classified under Export Control Classification Number ("ECCN") 2B351 and valued at \$8,043.75, to the United Arab Emirates ("UAE") without the required export license. Additionally, on or about March 7, 2007, ATI exported from the United States two wire gas transmitters, classified under ECCN 2B351 and valued at \$4,893.75, to the UAE without the required export license. These items are controlled for chemical and biological weapons proliferation reasons and required a license for export to the UAE pursuant to Section 742.2 of the Regulations. In so doing, ATI committed two violations of Section 764.2(a) of the Regulations.

WHEREAS, ATI has reviewed the Proposed 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;

WHEREAS, ATI 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, ATI enters into this Agreement voluntarily and with full knowledge of its rights;

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

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

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

WHEREAS, ATI 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 ATI, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. The following sanction shall be imposed against ATI in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the Proposed Charging Letter:
 - a. ATI shall be assessed a civil penalty in the amount of \$45,000, which shall be paid 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.
 - b. The 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, permission, or privilege granted, or to be granted, to ATI. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of ATI's export privileges for a period of one year from the date of imposition of the penalty.
3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, ATI 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.

4. BIS agrees that, upon issuance of the Order, it will not initiate any further administrative proceedings against ATI in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

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

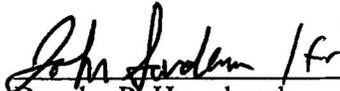
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial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

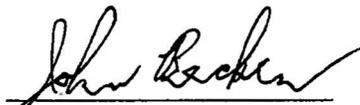
8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

9. 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
Office of Export Enforcement

Date: 6/8, 2011


John Becker
President
Analytical Technology, Inc.

Date: 5/20, 2011

PROPOSED CHARGING LETTER
CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Analytical Technology, Inc.
6 Iron Bridge Drive
Collegeville, PA 19426

Attention: John Becker, President

Dear Mr. Becker:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Analytical Technology, Inc. ("ATI") of Collegeville, Pennsylvania, has committed two violations of the Export Administration Regulations (the "Regulations"),¹ which are issued under the authority of the Export Administration Act of 1979, as amended (the "Act").² Specifically, BIS charges that ATI committed the following violations:

Charges 1-2 15 C.F.R. § 764.2(a): Engaging in Prohibited Conduct

On two occasions on or about August 28, 2006 and on or about March 7, 2007, ATI engaged in conduct prohibited by the Regulations. Specifically, on or about August 28, 2006, ATI exported from the United States one wire gas transmitter, classified under Export Control Classification Number ("ECCN") 2B351 and valued at \$8043.75, to the United Arab Emirates ("UAE") without the required export license. Additionally, on or about March 7, 2007, ATI exported from the United States two wire gas transmitters, classified under ECCN 2B351 and valued at \$4893.75, to the UAE without the required export license. These items are controlled for chemical and biological weapons proliferation reasons and required a license for export to the UAE pursuant to Section 742.2 of the Regulations. In so doing, ATI committed two violations of Section 764.2(a) of the Regulations.

* * * * *

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2010). The charged violations occurred in 2006 and 2007. The Regulations governing the violations at issue are found in the 2006 and 2007 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2010 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). 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 13, 2010 (74 Fed. Reg. 41,325, Aug. 14, 2010), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.

Accordingly, ATI 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 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; and/or
- Exclusion from practice before BIS.

If ATI 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 (2010). If ATI defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to ATI. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

ATI 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 (2010). ATI 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 (2010).

ATI is further notified that under the Small Business Regulatory Enforcement Flexibility Act, ATI 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 Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18 (2010). Should ATI have a proposal to settle this case, ATI or its representative should transmit it to the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, ATI's answer must be filed in accordance with the instructions in Section 766.5(a) (2010) of the Regulations with:

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

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

³*See* International Emergency Economic Powers Enhancement Act, Pub. L. No. 110-96 (2007).

Chief Counsel for Industry and Security
Attention: Rochelle Woodard
Room H-3839
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Rochelle Woodard is the attorney representing BIS in this case; any communications that ATI may wish to have concerning this matter should occur through her. Ms. Woodard may be contacted by telephone at (202) 482-5301.

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement