

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

In the Matter of:)
)
Mr. Zhonghe Ji (aka "James Ji"))
37 Country Walk)
Cherry Hill, NJ 08003)
)
Respondent)

ORDER RELATING TO ZHONGHE JI

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS") has notified Zhonghe Ji (aka "James Ji"), of its intention to initiate an administrative proceeding against him pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2007)) (the "Regulations"),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the "Act"),² through issuance of a proposed charging letter to James Ji that alleged that he committed eight violations of the Regulations. Specifically, these charges are:

¹ The violations charged occurred from 2002 through 2003. The Regulations governing the violations at issue are found in the 2002 - 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2002-2003)). The 2007 Regulations govern the procedural aspects of this case.

² Since August 21, 2001 the Act has been in lapse. However, 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 3, 2006 (71 Fed. Reg. 44,551, Aug. 7, 2006), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)).

Charges 1-8 (15 C.F.R. § 764.2(b) - Causing, Aiding or Abetting the Exportation of Electronic Components to the People's Republic of China With Knowledge That Violations Would Occur)

On 8 occasions, between on or about November 27, 2002 and on or about November 4, 2003, James Ji engaged in conduct prohibited by the Regulations by aiding or abetting the exportation of electronic components classified under ECCN³ 3A001, items subject to the Regulations, to the People's Republic of China without the Department of Commerce licenses required under Section 742.4 of the Regulations for these exports. In his capacity as an employee of Universal Technology, Inc., of Mount Laurel, NJ, James Ji prepared, or assisted in the preparation of, invoices, shipping documents and other materials related to these transactions. In aiding and abetting these exports, James Ji committed 8 violations of Section 764.2(b) of the Regulations.

WHEREAS, BIS and James Ji 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 \$48,000 is assessed against James Ji. James Ji shall pay \$2,000 to the 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. Payment of the remaining \$46,000 shall be suspended for a period of one year from the date of entry of this Order and thereafter shall be waived, provided that during the period of suspension, James Ji has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made the payment of \$2,000, described above, in a timely manner.

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

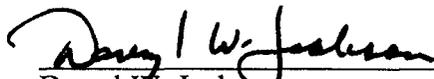
³ The term "ECCN" refers to "Export Control Classification Number." See Supplement No. 1 to 15 C.F.R. § 774.

as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, James Ji 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 James Ji. Accordingly, if James Ji should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of James Ji's export privileges for a period of one year from the date of entry 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.



Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 21st day of May, 2007.

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

In the Matter of:)
)
Mr. Zhonghe Ji (aka "James Ji"))
37 Country Walk)
Cherry Hill, NJ 08003)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Zhonghe Ji (aka "James Ji") 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 (currently codified at 15 C.F.R. Parts 730-774 (2007)) (the "Regulations"),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the "Act"),²

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

WHEREAS, BIS has issued a proposed charging letter to James Ji that alleged that he committed eight violations of the Regulations, specifically:

¹ The violations charged occurred from 2002 through 2003. The Regulations governing the violations at issue are found in the 2002 - 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2002-2003)). The 2007 Regulations govern the procedural aspects of this case.

² Since August 21, 2001 the Act has been in lapse. However, 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 3, 2006 (71 Fed. Reg. 44,551, Aug. 7, 2006), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)).

Charges 1-8 (15 C.F.R. § 764.2(b) - Causing, Aiding or Abetting the Exportation of Electronic Components to the People's Republic of China With Knowledge That Violations Would Occur)

On 8 occasions, between on or about November 27, 2002 and on or about November 4, 2003, James Ji engaged in conduct prohibited by the Regulations by aiding or abetting the exportation of electronic components classified under ECCN³ 3A001, items subject to the Regulations, to the People's Republic of China without the Department of Commerce licenses required under Section 742.4 of the Regulations for these exports. In his capacity as an employee of Universal Technology, Inc., of Mount Laurel, NJ, James Ji prepared, or assisted in the preparation of, invoices, shipping documents and other materials related to these transactions. In aiding and abetting these exports, James Ji committed 8 violations of Section 764.2(b) of the Regulations.

WHEREAS, James Ji has reviewed the proposed charging letter and is aware of the allegations made against him and the administrative sanctions which could be imposed against him if the allegations are found to be true;

WHEREAS, James Ji 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, James Ji enters into this Agreement voluntarily and with full knowledge of his rights;

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

WHEREAS, James Ji neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, James Ji wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

³ The term "ECCN" refers to "Export Control Classification Number." See Supplement No. 1 to 15 C.F.R. § 774.

WHEREAS, James Ji agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over James Ji, under the Regulations, in connection with the matters alleged in the proposed charging letter.

2. The following sanction shall be imposed against James Ji in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the proposed charging letter:

a. James Ji shall be assessed a civil penalty in the amount of \$48,000.

James Ji shall pay \$2,000 to the U.S. Department of Commerce within 30 days from the date of entry of the Order. Payment of the remaining \$46,000 shall be suspended for a period of one year from the date of entry of the Order and thereafter shall be waived, provided that during the period of suspension, James Ji has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made the payment of \$2,000, described above, in a timely manner.

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 James Ji. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of James Ji'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, James Ji 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 entered), 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 entered; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order and timely payment of the \$2,000 civil penalty, BIS will not initiate any further administrative proceeding against James Ji in connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed charging letter.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.

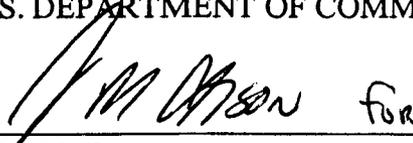
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial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

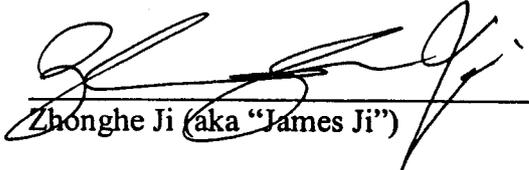
BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE



John McKenna
Acting Director
Office of Export Enforcement

Date: 5/17/07

ZHONGHE JI (aka "JAMES JI")



Zhonghe Ji (aka "James Ji")

Date: 5/10/07

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Zhonghe Ji (aka "James Ji")
37 Country Walk
Cherry Hill, NJ 08003

Dear Mr. Ji:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Zhonghe Ji (aka "James Ji"), of Cherry Hill, NJ, has committed 8 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 James Ji committed the following violations:

Charges 1-8 (15 C.F.R. § 764.2(b) - Causing, Aiding or Abetting the Exportation of Electronic Components to the People's Republic of China With Knowledge That Violations Would Occur)

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on 8 occasions, between on or about November 27, 2002 and on or about November 4, 2003, James Ji engaged in conduct prohibited by the Regulations by aiding or abetting the exportation of electronic components classified under ECCN³ 3A001, items subject to the Regulations, to the People's Republic of China without the Department of Commerce licenses required under Section 742.4 of the Regulations for these exports. In his capacity as an employee of Universal Technology, Inc., of Mount Laurel, NJ, James Ji prepared, or assisted in the preparation of, invoices, shipping documents and other materials related to

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2006). The violations charged occurred from 2002 through 2003. The Regulations governing the violations at issue are found in the 2002 - 2003 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2002-2003)). The 2006 Regulations govern the procedural aspects of this case.

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 13222 of August 17, 2001 (3 C.F.R., 2001 Comp., p. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2006 (71 FR 44551 (August 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("IEEPA").

³ The term "ECCN" refers to "Export Control Classification Number." See Supplement No. 1 to 15 C.F.R. § 774.

these transactions. In aiding and abetting these exports, James Ji committed 8 violations of Section 764.2(b) of the Regulations.

* * * *

Accordingly, James Ji is hereby notified that an administrative proceeding is instituted against him 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 \$11,000 per violation;⁴

Denial of export privileges; and/or

Exclusion from practice before BIS.

If James Ji 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. (Regulations, Sections 766.6 and 766.7). If James Ji defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to James Ji. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

James Ji is further notified that he is entitled to an agency hearing on the record if James Ji files a written demand for one with his answer. (Regulations, Section 766.6). James Ji is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent him. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should James Ji have a proposal to settle this case, James Ji or his representative should transmit it through 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, James Ji's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

⁴ See 15 C.F.R. § 6.4(a)(2).

Zhonghe Ji (aka "James Ji")
Proposed Charging Letter
Page 3

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

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

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

Glenn H. Kaminsky is the attorney representing BIS in this case; any communications that James Ji may wish to have concerning this matter should occur through him. He may be contacted by telephone at (202) 482-5301.

Sincerely,

Michael D. Turner
Director
Office of Export Enforcement

Enclosure