

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

\_\_\_\_\_  
In the Matter of: )  
 )  
Cargoland Air and Ocean Cargo, Inc. )  
2762 NW 112<sup>th</sup> Ave. )  
Doral, FL 33172-1811 )  
 )  
Respondent )  
\_\_\_\_\_

ORDER RELATING TO CARGOLAND AIR AND OCEAN CARGO, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Cargoland Air and Ocean Cargo, Inc. (“Cargoland”) of its intention to initiate an administrative proceeding against Cargoland pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2008)) (the “Regulations”),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),<sup>2</sup> through the issuance of a Proposed Charging Letter to Cargoland that alleges that Cargoland committed one violation of the Regulations. Specifically, the charge is:

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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 (2008). The violation alleged occurred in 2006. The Regulations governing the allegations at issue are found in the 2006 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2006)). The 2008 Regulations govern the procedural aspects of the case.

<sup>2</sup> 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. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of July 23, 2008 (73 Fed. Reg. 43,603 (July 25, 2008)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”).

**Charge 1      15 C.F.R. § 764.2(c): Attempted Export of Helmets to Venezuela without the Required License**

On or about June 2, 2006, Cargoland violated the Regulations by attempting to export 210 riot helmets, items classified under ECCN 0A979,<sup>3</sup> to Venezuela without the Department of Commerce license required by Section 742.7 of the Regulations. In so doing, Cargoland committed one violation of Section 764.2(c) of the Regulations.

WHEREAS, BIS and Cargoland 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, Cargoland shall be assessed a civil penalty in the amount of \$36,000, which shall be paid to the U.S. Department of Commerce. Cargoland shall pay this penalty in twelve equal monthly installments of \$3,000, with the first payment due not later than 30 days from the entry of the Order, and payment due not later than each successive 30 day interval thereafter.

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, Cargoland 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 Cargoland. Accordingly, if Cargoland should fail to pay the civil penalty in a timely manner, the undersigned may enter an

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<sup>3</sup> The term "ECCN" refers to an Export Control Classification Number. See 15 C.F.R. § 772.1.

Order denying all of Cargoland's export privileges under the Regulations 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.

for Kari DeLoe  
Darryl W. Jackson  
Assistant Secretary of Commerce  
for Export Enforcement

Entered this 20<sup>th</sup> day of August, 2008.

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY  
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Cargoland Air and Ocean Cargo, Inc. )  
2762 NW 112<sup>th</sup> Ave. )  
Doral, FL 33172-1811 )  
)  
)  
Respondent \_\_\_\_\_)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Cargoland Air and Ocean Cargo, Inc. (“Cargoland”), 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 (2008)) (the “Regulations”),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”),<sup>2</sup>

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

<sup>1</sup> The violation alleged to have been committed occurred in 2006. The Regulations governing the violation at issue are found in the 2006 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2006)). The 2008 Regulations establish the procedures that apply to this matter.

<sup>2</sup> 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. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of July 23, 2008 (73 Fed. Reg. 43,603 (July 25, 2008)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) (“IEEPA”).

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

**Charge 1      15 C.F.R. § 764.2(c): Attempted Export of Helmets to Venezuela without the Required License**

On or about June 2, 2006, Cargoland violated the Regulations by attempting to export 210 riot helmets, items classified under ECCN 0A979,<sup>3</sup> to Venezuela without the Department of Commerce license required by Section 742.7 of the Regulations. In so doing, Cargoland committed one violation of Section 764.2(c) of the Regulations.

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

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

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

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

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

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<sup>3</sup> The term "ECCN" refers to an Export Control Classification Number. See 15 C.F.R. § 772.1.

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Cargoland, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. The following sanction shall be imposed against Cargoland in complete settlement of the alleged violation of the Regulations relating to the transactions detailed in the Proposed Charging Letter:
  - a. Cargoland shall be assessed a civil penalty in the amount of \$36,000, which shall be paid to the U.S. Department of Commerce. Cargoland shall pay this penalty in twelve equal monthly installments of \$3,000, with the first payment due not later than 30 days from the date of entry of the Order, and payment due not later than each successive 30 day interval thereafter.
  - 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 Cargoland. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Cargoland'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, Cargoland 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 \$36,000 civil penalty, BIS will not initiate any further administrative proceeding against Cargoland in connection with any violation of the Act or the Regulations arising out of the transaction 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.

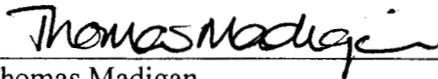
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial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

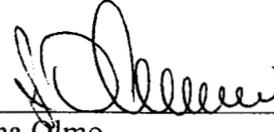
BUREAU OF INDUSTRY AND SECURITY  
U.S. DEPARTMENT OF COMMERCE



Thomas Madigan  
Director  
Office of Export Enforcement

Date: 8/18/08

CARGOLAND AIR AND OCEAN CARGO,  
INC.



Susana Olmo  
President

Date: 8/9/08

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Cargoland Air and Ocean Cargo, Inc.  
2762 NW 112<sup>th</sup> Ave.  
Miami, FL 33172-1811

Attn: *Susana Olmo*  
*President*

Dear Ms. Olmo:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Cargoland Air and Ocean Cargo, Inc. of Miami, Florida (“Cargoland”) has committed one violation of the Export Administration Regulations (the “Regulations”),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).<sup>2</sup> Specifically, BIS charges that Cargoland committed the following violation:

**Charge 1      15 C.F.R. § 764.2(c): Attempted Export of Helmets to Venezuela without the Required License**

On or about June 2, 2006, Cargoland violated the Regulations by attempting to export 210 riot helmets, items classified under ECCN 0A979,<sup>3</sup> to Venezuela without the Department of Commerce license required by Section 742.7 of the Regulations. In so doing, Cargoland committed one violation of Section 764.2(a) of the Regulations.

\*   \*   \*   \*   \*

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

<sup>2</sup> 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. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 15, 2007 (72 Fed. Reg. 4465137 (Aug. 16, 2007)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)).

<sup>3</sup> The term “ECCN” refers to an Export Control Classification Number. *See* 15 C.F.R. § 772.1 (2007).

Accordingly, Cargoland 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 \$50,000 per violation;<sup>4</sup>
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

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

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

Cargoland is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Cargoland 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, Cargoland'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 Cargoland's answer must be served on BIS at the following address:

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<sup>4</sup> *See* 71 Fed. Reg. 44,189 (Aug. 4, 2006).

Cargoland Air and Ocean Cargo, Inc.  
Proposed Charging Letter  
Page 3 of 3

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

Elias Wolfberg is the attorney representing BIS in this case; any communications that Cargoland may wish to have concerning this matter should occur through him. Mr. Wolfberg may be contacted by telephone at (202) 482-3849.

Sincerely,

Thomas Madigan  
Acting Director  
Office of Export Enforcement