

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

In the Matter of:)
)
Security 20/20, Inc.)
d.b.a. Security Pro USA)
265 South La Cienega Boulevard)
Suite 451)
Beverly Hills, California 90211)
)
Respondent)

ORDER RELATING TO SECURITY 20/20, INC (D.B.A. SECURITY PRO USA).

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) has notified Security 20/20, Inc. (d.b.a. Security Pro USA) (“Security Pro”) of its intention to initiate an administrative proceeding against Security Pro 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 Security Pro that alleged that it committed one violation of the Regulations. Specifically, the charge is:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2010). The violation alleged occurred in 2007. The Regulations governing the violation at issue are found in the 2007 version of the Code of Federal Regulations, 15 C.F.R. Parts 730-774 (2007). The 2010 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. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 13, 2009 (74 Fed. Reg. 41,325 (Aug. 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 *et seq.*).

Charge 1 15 C.F.R. § 764.2(e): Acting with Knowledge

On or about January 31, 2007, Security Pro stored, sold, or transported a handheld explosives detection device, which was to be exported from the United States to India and subject to the Regulations, with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the item. The handheld explosives detection device was an item subject to the Regulations, classified under Export Control Classification Number (“ECCN”) 2A983, controlled for regional stability reasons, valued at approximately \$23,500. Security Pro had knowledge that a violation of the Regulations was about to occur or was intended to occur because, prior to the violation in or around December 2006, Security Pro’s president, Amnon Even, had stated to a BIS Office of Export Enforcement Special Agent that he understood many of Security Pro’s commodities could require a license for export and that he would get the proper ECCN for all of his commodities for future exports. Additionally, after the violation occurred, in response to a question of whether he remembered that he needed to determine the ECCN for all products exported by Security Pro, Amnon Even stated that he remembered. Security Pro further knew that no U.S. Government authorization for this transaction had been obtained. In storing, selling, or transporting this item with knowledge that a violation was occurring, Security Pro committed one violation of Section 764.2(e) of the Regulations.

WHEREAS, BIS and Security Pro 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, Security Pro shall be assessed a civil penalty in the amount of \$50,000. Security Pro shall pay \$1,250 to the U.S. Department of Commerce within 30 days of the date of the Order. Thereafter, Security Pro shall pay \$1,250 to the U.S. Department of Commerce not later than September 1, 2010; \$1,250 not later than October 1, 2010; \$1,250 not later than November 1, 2010; \$1,250 not later than December 1, 2010; \$1,250 not later than January 3, 2011; \$1,250 not later than February 1, 2011; \$1,250 not later than March 1, 2011; \$1,250 not later than April 1, 2011; \$1,250 not later than May 2, 2011; \$1,250 not later than June 1, 2011; \$1,250 not later than July 1, 2010. Payment of the remaining \$35,000 shall be suspended for a period of two (2)

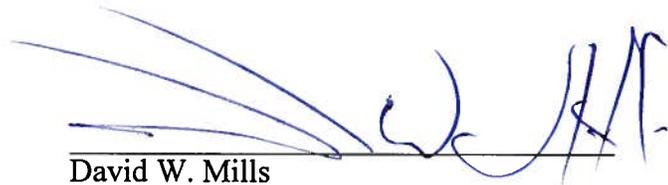
years from the date of issuance of the Order, and thereafter shall be waived, provided that during the period of suspension, Security Pro has committed no violation of the Act, or any regulation, order, or license issued thereunder and has made full and timely payment of \$15,000 as set forth above.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and if payment is not made by the due date specified herein, Security Pro 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 Security Pro. Accordingly, if Security Pro should fail to pay the civil penalty in a timely manner, the undersigned may issue an Order denying all of Security Pro'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 22 day of July, 2010.

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

In the Matter of:)
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Security 20/20, Inc.)
d.b.a. Security Pro USA)
265 South La Cienega Boulevard)
Suite 451)
Beverly Hills, California 90211)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Security 20/20, Inc. d.b.a. Security Pro USA (“Security Pro”) 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 Security Pro of its intention to initiate an administrative proceeding against it, pursuant to the Act and the Regulations;

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

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2010). The violation alleged occurred in 2007. The Regulations governing the violation at issue are found in the 2007 version of the Code of Federal Regulations, 15 C.F.R. Parts 730-774 (2007). The 2010 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. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 13, 2009 (74 Fed. Reg. 41,325 (Aug. 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701, *et seq.*).

Charge 1 15 C.F.R. § 764.2(e): Acting with Knowledge

On or about January 31, 2007, Security Pro stored, sold, or transported a handheld explosives detection device, which was to be exported from the United States to India and subject to the Regulations, with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the item. The handheld explosives detection device was an item subject to the Regulations, classified under Export Control Classification Number (“ECCN”) 2A983, controlled for regional stability reasons, valued at approximately \$23,500. Security Pro had knowledge that a violation of the Regulations was about to occur or was intended to occur because, prior to the violation in or around December 2006, Security Pro’s president, Amnon Even, had stated to a BIS Office of Export Enforcement Special Agent that he understood many of Security Pro’s commodities could require a license for export and that he would get the proper ECCN for all of his commodities for future exports. Additionally, after the violation occurred, in response to a question of whether he remembered that he needed to determine the ECCN for all products exported by Security Pro, Amnon Even stated that he remembered. Security Pro further knew that no U.S. Government authorization for this transaction had been obtained. In storing, selling, or transporting this item with knowledge that a violation was occurring, Security Pro committed one violation of Section 764.2(e) of the Regulations.

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

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

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

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

WHEREAS, Security Pro 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 Security Pro, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. The following sanction shall be imposed against Security Pro in complete settlement of the alleged violation of the Regulations relating to the transaction specifically detailed in the Proposed Charging Letter:
 - a. Security Pro shall be assessed a civil penalty in the amount of \$50,000. Security Pro shall pay \$1,250 to the U.S. Department of Commerce within 30 days of the date of the Order. Thereafter, Security Pro shall pay \$1,250 to the U.S. Department of Commerce not later than September 1, 2010; \$1,250 not later than October 1, 2010; \$1,250 not later than November 1, 2010; \$1,250 not later than December 1, 2010; \$1,250 not later than January 3, 2011; \$1,250 not later than February 1, 2011; \$1,250 not later than March 1, 2011; \$1,250 not later than April 1, 2011; \$1,250 not later than May 2, 2011; \$1,250 not later than June 1, 2011; \$1,250 not later than July 1, 2010. Payment of the remaining \$35,000 shall be suspended for a period of two (2) years from the date of issuance of the Order, and thereafter shall be waived, provided that during the period of suspension, Security Pro has committed no violation of the Act, or any regulation,

order, or license issued thereunder and has made full and timely payment of \$15,000 as set forth above.

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 Security Pro. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Security Pro'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, Security Pro 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 proceeding against Security Pro in connection with any violation of the Act or the Regulations arising out of the transaction 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 its respective party to the terms and conditions set forth herein.

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



John Sonderman
Acting Director
Office of Export Enforcement

Date: 7/7, 2010



Amnon Even
CEO
Security 20/20, Inc.

Date: 7/2, 2010

PROPOSED CHARGING LETTER

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Security 20/20, Inc.
d.b.a. Security Pro USA
264 South La Cienega Boulevard
Suite 451
Beverly Hills, California 90211

*Attention: Amnon Even
President*

Dear Mr. Even,

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Security 20/20, Inc. doing business as Security Pro USA (“Security Pro”) of Beverly Hills, California, has committed one violation 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 alleges that Security Pro committed the following violation:

Charge 1 15 C.F.R. § 764.2(e) – Acting with Knowledge

On or about January 31, 2007, Security Pro stored, sold, or transported a handheld explosives detection device, which was to be exported from the United States to India and subject to the Regulations, with knowledge that a violation of the Regulations was about to occur or was intended to occur in connection with the item. The handheld explosives detection device was an item subject to the Regulations, classified under Export Control Classification Number (“ECCN”) 2A983, controlled for regional stability reasons, valued at approximately \$23,500. Security Pro had knowledge that a violation of the Regulations was about to occur or was intended to occur because, prior to the

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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. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 13, 2009 (74 Fed. Reg. 41,325 (Aug. 14, 2009)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707).

violation in or around December 2006, Security Pro's president, Amnon Even, had stated to a BIS Office of Export Enforcement Special Agent that he understood many of Security Pro's commodities could require a license for export and that he would get the proper ECCN for all of his commodities for future exports. Additionally, after the violation occurred, in response to a question of whether he remembered that he needed to determine the ECCN for all products exported by Security Pro, Amnon Even stated that he remembered. Security Pro further knew that no U.S. Government authorization for this transaction had been obtained. In storing, selling, or transporting this item with knowledge that a violation was occurring, Security Pro committed one violation of Section 764.2(e) of the Regulations.

* * * * *

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

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

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

Security 20/20, Inc.
d.b.a. Security Pro USA
Proposed Charging Letter
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Security Pro is further notified that under the Small Business Regulatory Enforcement Flexibility ACT, Security Pro 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, Security Pro'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 Security Pro's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security
Attention: Thea D. R. Kendler
Room H-3327
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Thea Kendler is the attorney representing BIS in this case; any communications that Security Pro may wish to have concerning this matter should occur through her. Ms. Kendler may be contacted by telephone at (202) 482-5058.

Sincerely,

Thomas Madigan
Director
Office of Export Enforcement