

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

In the Matter of:

GLS Solutions, Inc.
3675 N. Country Club Drive
Suite 910
Aventura, FL 33180

Respondent

ORDER RELATING TO
GLS SOLUTIONS, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified GLS Solutions, Inc., of Aventura, Florida (“GLS Solutions”), of its intention to initiate an administrative proceeding against GLS Solutions 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 GLS Solutions that alleges that GLS Solutions 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 (2015). The charged violation occurred in 2012. The Regulations governing the violation at issue are found in the 2012 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2012)). The 2015 Regulations set forth the procedures that currently 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 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.) (2006 & Supp. IV 2010).

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

On or about September 14, 2012, GLS Solutions acted with knowledge of a violation of the Regulations when it sold or transferred a FLIR High Performance Infrared Camera, an item subject to the Regulations, for export from the United States to Venezuela, knowing that a violation of the Regulations was occurring, was about to occur, or was intended to occur in connection with the item. The item was classified as Export Control Classification Number 6A003.b.4, controlled for National Security and Regional Stability reasons, and valued at approximately \$28,335. Prior to selling or transferring the item for export, GLS Solutions was informed that a Department of Commerce license was required for the export. Furthermore, Gregorio L. Salazar, the owner and president of GLS Solutions, subsequently admitted to BIS, in a June 18, 2013 written statement, that at the time of the transaction, he “knew the Flir 440 camera needed a special permit to export.”

WHEREAS, BIS and GLS Solutions 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, GLS Solutions shall be assessed a civil penalty in the amount of \$50,000. The payment of \$17,500 of this amount shall be made to the U.S. Department of Commerce within 30 days of the date of this Order. Payment of the remaining \$32,500 shall be suspended for a period of one year from the date of this Order, and thereafter shall be waived, provided that during this one-year payment probationary period, GLS Solutions has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder, and has made full and timely payment of \$17,500 as set forth above. If GLS Solutions commits a violation of the Act, or any regulation, order, license, or authorization issued thereunder, during the probationary period under this Order, the partial suspension of the civil penalty may be modified or revoked by BIS and the \$32,500 made 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, GLS Solutions 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 GLS Solutions. Accordingly, if GLS Solutions should fail to pay the civil penalty in a full and timely manner as set forth above, the undersigned may issue an order denying all of GLS Solutions' export privileges under the Regulations for a period of one year from the date of failure to make such payment.

FOURTH, GLS Solutions 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 GLS Solutions' 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.

FIFTH, 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 10th day of December, 2015.

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

In the Matter of:

GLS Solutions, Inc.
3675 N. Country Club Drive
Suite 910
Aventura, FL 33180

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between GLS Solutions, Inc., of Aventura, Florida (“GLS Solutions”), 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 GLS Solutions of its intentions to initiate an administrative proceeding against GLS Solutions, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Proposed Charging Letter to GLS Solutions that alleges that GLS Solutions 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 (2015). The charged violation occurred in 2012. The Regulations governing the violation at issue are found in the 2012 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2012)). The 2015 Regulations set forth the procedures that currently 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 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.) (2006 & Supp. IV 2010).

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

On or about September 14, 2012, GLS Solutions acted with knowledge of a violation of the Regulations when it sold or transferred a FLIR High Performance Infrared Camera, an item subject to the Regulations, for export from the United States to Venezuela, knowing that a violation of the Regulations was occurring, was about to occur, or was intended to occur in connection with the item. The item was classified as Export Control Classification Number 6A003.b.4, controlled for National Security and Regional Stability reasons, and valued at approximately \$28,335. Prior to selling or transferring the item for export, GLS Solutions was informed that a Department of Commerce license was required for the export. Furthermore, Gregorio L. Salazar, the owner and president of GLS Solutions, subsequently admitted to BIS, in a June 18, 2013 written statement, that at the time of the transaction, he “knew the Flir 440 camera needed a special permit to export.”

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

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

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

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

2. The following sanction shall be imposed against GLS Solutions in complete settlement of the alleged violation of the Regulations relating to the transaction specifically detailed in the Proposed Charging Letter:

a. GLS Solutions shall be assessed a civil penalty in the amount of \$50,000. The payment of \$17,500 shall be made 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. Payment of the remaining \$32,500 shall be suspended for a period of one year from the date of the Order, and thereafter shall be waived, provided that during this one-year payment probationary period under the Order, GLS Solutions has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$17,500 as set forth above. If GLS Solutions commits a violation of the Act or any regulation, order, license, or authorization issued thereunder, during the probationary period under the Order, the suspension of the civil penalty may be modified or revoked by BIS and the \$32,500 made 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 GLS Solutions. Failure to make full and timely payment of the civil penalty may result in the denial of all of GLS Solutions' export privileges under the Regulations for one year from the date of the failure to make such payment.

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

4. GLS Solutions 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 GLS Solutions' 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 GLS Solutions 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. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, 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

Date: 12/2/15

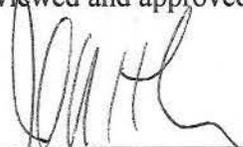
GLS Solutions, Inc.



Gregorio L. Salazar
President
GLS Solutions, Inc.

Date: 10/23/15

Reviewed and approved by:



John Matthews, Esq.
Wargo French
Counsel for GLS Solutions, Inc.

Date: 10/27/15

PROPOSED CHARGING LETTER

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

GLS Solutions, Inc.
3675 N. Country Club Drive
Suite 910
Aventura, FL 33180

*Attention: Gregorio L. Salazar
President*

Dear Mr. Salazar:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that GLS Solutions, Inc., of Aventura, Florida (“GLS Solutions”), violated the Export Administration Regulations (the “Regulations”),¹ which issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS alleges that GLS Solutions committed the following violation:

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

On or about September 14, 2012, GLS Solutions acted with knowledge of a violation of the Regulations when it sold or transferred a FLIR High Performance Infrared Camera, an item subject to the Regulations, for export from the United States to Venezuela, knowing that a violation of the Regulations was occurring, was about to occur, or was intended to occur in connection with the item. The item was classified as Export Control Classification Number 6A003.b.4, controlled for National Security and Regional Stability reasons, and valued at approximately \$28,335. Prior to selling or transferring the item for export, GLS Solutions was informed that a Department of Commerce license was required for the export. Furthermore, Gregorio L. Salazar, the owner and president of GLS Solutions, subsequently admitted to BIS, in a June 18, 2013 written statement, that at the time of the transaction, he “knew the Flir 440 camera needed a special permit to export.”

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2015). The charged violation occurred in 2012. The Regulations governing the violation at issue are found in the 2012 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2012)). The 2015 Regulations set forth the procedures that currently 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 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.*) (2006 & Supp. IV 2010).

In so doing, GLS Solutions committed one violation of Section 764.2(e) of the Regulations.

* * * * *

Accordingly, GLS Solutions 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, or twice the value of the transaction that is the basis of the violation;
- Denial of export privileges; and/or
- Exclusion from practice before BIS; and/or.
- Any other liability, sanction, or penalty available under law.

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

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

GLS Solutions is further notified that under the Small Business Regulatory Enforcement Flexibility ACT, GLS Solutions 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/>.

GLS Solutions, Inc.
Proposed Charging Letter
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The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, GLS Solutions' 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 GLS Solutions' answer must be served on BIS at the following address:

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

R. Elizabeth Abraham is the attorney representing BIS in this case; any communications that GLS Solutions may wish to have concerning this matter should occur through her. Ms. Abraham may be contacted by telephone at (202) 482-8050.

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement