



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Frank Curic
694 Middleton Drive
Roselle, IL 60172

Dear Mr. Curic:

The Bureau of Industry and Security, United States Department of Commerce ("BIS")¹, has reason to believe that Frank Curic ("Curic") committed three violations of the Export Administration Regulations (the "Regulations"),² which are issued under the authority of the Export Administration Act of 1979 (the "Act").³ Specifically, BIS charges that Curic committed the following violations:

Charge 1 (15 C.F.R. §764.2(c) - Attempting to Export a Shotgun Without the Required License)

On or about July 31, 2000, Curic attempted to export a Mossberg shotgun with a barrel length of greater than or equal to 18 inches but less than 24 inches (the "shotgun") from the United States to Bosnia and Herzegovina⁴ without obtaining an export license from the Department of Commerce. The shotgun, which was an item controlled for crime control reasons, was covered by export control classification number OA984 of the Regulations (15 CFR Part

¹ On April 18, 2002, the Department of Commerce announced that the name of the Bureau of Export Administration ("BXA") had been changed to the Bureau of Industry and Security ("BIS") and made conforming changes in the Export Administration Regulations. 67 *Fed. Reg.* 20630-32 (April 26, 2002). This change does not affect the substantive activities or responsibilities of BIS. All actions taken on, before or after April 18, 2002 under the name of BXA will be deemed to have been taken under the name BIS and all references to BXA are deemed to be to BIS. *Id.*

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2002). The Regulations governing the violations at issue are found in the 2000 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000)) and they are substantially the same as the 2002 version of the Regulations which govern the procedural aspects of this case.

³ 50 U.S.C. app. 2401-2420 (1994 & Supp. V. 1999). From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (1994 & Supp. V 1999)) ("IEEPA"). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (66 *Fed. Reg.* 44025 (August 22, 2001)), has continued the Regulations in effect under IEEPA. The Act and Regulations are available on the Government Printing Office website at: <http://w3.access.gpo.gov/BIS/>.

⁴ The shipping documents (dock receipt, bill of lading, and Shipper's Export Declaration) state the car was being exported to "Bosnia." At all times relevant hereto, the proper name of "Bosnia" was "Bosnia and Herzegovina."

774, Supp. 1). Section 742.7 of the Regulations provides that a Department of Commerce export license is required before a shotgun with a barrel length of greater than or equal to 18 inches but less than 24 inches items can be exported from the United States to Bosnia and Herzegovina. Wherefore, BIS alleges that Curic committed one violation of Section 764.2(c) of the Regulations.

Charge 2 (15 C.F.R. §764.2(e) - Knew an Export License was Required)

In connection with the attempted export referenced in Charge 1, Curic concealed the shotgun knowing that the shotgun would be exported from the United States in violation of the Regulations. At all times relevant hereto, Curic knew that an export license was required from the Department of Commerce to export the shotgun from the United States to Bosnia and Herzegovina. However, Curic did not obtain a Department of Commerce license for the attempted export. Wherefore, BIS alleges that Curic committed one violation of Section 764.2(e) of the Regulations.

Charge 3 (15 C.F.R. §764.2(g)(1) - Making a Material Misrepresentation on a Shipper's Export Declaration)

In connection with the attempted export referenced in Charge 1, Curic, through International Globtrade, Inc., a freight forwarder, made a material misrepresentation to the United States Government by filing or causing to be filed a Shipper's Export Declaration that falsely provided that Curic's vehicle would be "unpacked," *i.e.*, would not contain any personal belongings or other effects, when it was exported from the United States to Bosnia and Herzegovina and that license exception BAG authorized the export. In response to Curic's statement that his vehicle would be unpacked, International Globtrade prepared and filed a Shipper's Export Declaration that stated "1 unpacked Lincoln Town Car" was being exported to Bosnia and Herzegovina under license exception BAG. However, Curic packed his vehicle with his belongings, including the shotgun, before attempting to export it and, therefore, an export license was required for the export. Wherefore, BIS alleges that Curic committed one violation of Section 764.2(g)(1) of the Regulations.

Accordingly, Curic 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 \$11,000 per violation;⁶

Denial of export privileges; and/or

Exclusion from practice before BIS.

⁵ A Shipper's Export Declaration is an export control document as defined in Part 772 of the Regulations.

⁶Pursuant to the Federal Civil Penalties Adjustment Act of 1990 (28 U.S.C. §2461, note (1994 & Supp. V 999)), and 15 C.F.R. §6.4(a)(2), the maximum penalty for each violation committed after October 23, 1996 and before November 1, 2000 is \$11,000.

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

Curic is further notified that he is entitled to an agency hearing on the record if Curic files a written demand for one with his answer. (Regulations, Section 766.6). Curic 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 you have a proposal to settle this case, you or your representative should transmit it to me 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, Curic'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 Curic's answer must be served on BIS at the following address:

Chief Counsel for Export Administration
Attention: Melissa B. Mannino
Room H-3839
United States Department of Commerce
14th Street and Constitution Avenue, N. W.
Washington, D.C. 20230

Melissa B. Mannino is the attorney representing BIS in this case; any communications that you may wish to have concerning this matter should occur through her. She may be contacted by telephone at (202) 482-5304.

Sincerely,



Mark D. Menefee
Director
Office of Export Enforcement

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

In the Matter of:) Docket No. 02-BXA-09
)
)
FRANK CURIC)
Bisce Polje, BB)
88104 Mostar)
Bosnia Herzegovina,)
)
Respondent.)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Respondent, Frank Curic (“Curic”), and the Bureau of Industry and Security, United States Department of Commerce (“BIS”), (collectively referred to as “Parties”), pursuant to Section 766.18(b) of the Export Administration Regulations (15 C.F.R. Parts 730-774 (2002)) (“Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),² and which are currently maintained in force under the International Emergency Economic Powers Act (50 U.S.C. §§1701 - 1706 (2000)).

¹ The Regulations governing the violations at issue are found in the 2000 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000)) and they are substantially the same as the 2002 version of the Regulations which govern the procedural aspects of this case.

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was issued on August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§1701 - 1706 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. 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)), as renewed by the Notice of August 14, 2002 (67 Fed. Reg. 53721 (August 16, 2002)), has continued the Regulations in effect under IEEPA.

WHEREAS, BIS has initiated an administrative proceeding against Curic pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a charging letter to Curic that alleged that Curic committed three violations of the Regulations, specifically:

1. *One Violation of 15 C.F.R. §764.2(c) - Attempting to Export a Shotgun Without the Required License:* On or about July 31, 2000, Curic attempted to export a Mossberg shotgun with a barrel length of at least 18 inches but less than 24 inches (the “shotgun”), an item subject to the Regulations and covered by export control classification number 0A984, from the United States to Bosnia and Herzegovina without obtaining an export license from the Department of Commerce as required by Section 742.7(a) of the Regulations.
2. *One Violation of 15 C.F.R. §764.2(e) - Concealing a Shotgun with Knowledge that a Violation of the Regulations was Intended to Occur:* In connection with the attempted export referenced above, Curic concealed the shotgun knowing that the shotgun would be exported from the United States in violation of the Regulations. Pursuant to section 742.7(a) of the Regulations, an export license was required to export the shotgun, an item subject to the Regulations and covered by export control classification number 0A984, from the United States to Bosnia and Herzegovina. Curic knew that an export license was required from the Department of Commerce to export the shotgun to Bosnia and Herzegovina. However, Curic did not obtain a license to export the item.

3. *One Violation of 15 C.F.R. §764.2(g)(1) - Making a Material Misrepresentation on a Shipper's Export Declaration:* In connection with the attempted export referenced above, Curic, through a freight forwarder, made a material misrepresentation to the United States Government by filing or causing to be filed a Shipper's Export Declaration³ that stated falsely that Curic's vehicle would be "unpacked," *i. e.*, would not contain any personal belongings or other effects, when it was exported from the United States to Bosnia and Herzegovina and that license exception BAG authorized the export. In response to Curic's statement that his vehicle would be unpacked, the freight forwarder prepared and filed a Shipper's Export Declaration that stated "1 unpacked Lincoln Town Car" was being exported to Bosnia and Herzegovina under license exception BAG. These statements were false as Curic packed his vehicle with his belongings, including the shotgun, before attempting to export it. An export license was required for the export of the shotgun to Bosnia and Herzegovina.

WHEREAS, Curic has reviewed the 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, Curic fully understands the terms of this Agreement and the Order of the Assistant Secretary of Commerce for Export Enforcement that will implement this Agreement ("Order");

³ A Shipper's Export Declaration is an export control document as defined in Part 772 of the Regulations.

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

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

WHEREAS, Curic neither admits nor denies the allegations contained in the charging letter;

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

WHEREAS, Curic agrees to be bound by the Order, when entered;

NOW THEREFORE, the Parties hereby agree as follows:

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

2. The following sanction shall be imposed against Curic in complete settlement of the alleged violations of the Regulations set forth in the charging letter:

- a. For a period of three years from the date of entry of the Order, Curic, and when acting for or on behalf of Curic, his representatives, agents, assigns or employees (“denied person”) may not participate, directly or indirectly, in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as “item”) exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- i. Applying for, obtaining, or using any license, License Exception, or export control document;
- ii. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
- iii. **Benefitting** in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Curic hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Agreement or the Order, when entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in the charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, when entered; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, when entered.

4. BIS agrees that, upon entry of the Order, it will not initiate any administrative proceeding against Curic in connection with any violation of the Act or the Regulations arising out of the transactions identified in the charging letter.

5. Curic understands that BIS will make the charging letter, this Agreement, and the Order, when entered, available to the public.

6. BIS and Curic agree that 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 766.1 8(b) of the Regulations, BIS and Curic agree that they may not use this Agreement in any administrative or judicial proceeding and that 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, when entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on BIS only when 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 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

FRANK CURIC



Jon A. Dyck
Chief Counsel
Office of Chief Counsel
for Industry and Security



Frank Curic

Date: 3-10-02

Date: 20-9-2003

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

_____)
In the Matter of:)
)
FRANK CURIC)
Bisce Polje, BB)
88104 Mostar)
Bosnia Herzegovina,)
)
_____ Respondent)

Docket No. 02-BXA-09

ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”), having initiated an administrative proceeding against Frank Curic, (“Curic”), pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),¹ and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2002)) (“Regulations”),² based on the charging letter issued to Curic that alleged that Curic violated the Regulations on three occasions. Specifically, the charges are:

1. *One Violation of 15 C.F. R. §764.2(c) - Attempting to Export a Shotgun Without*

¹ From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was issued on August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §91701 - 1706 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. 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)), as extended by the Notice of August 14, 2002 (67 Fed. Reg. 53721 (August 16, 2002)), has continued the Regulations in effect under IEEPA.

² The Regulations governing the violations at issue are found in the 2000 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000)) and they are substantially the same as the 2002 version of the Regulations which govern the procedural aspects of this case.

the Required License: On or about July 31, 2000, Curic attempted to export a Mossberg shotgun with a barrel length of at least 18 inches but less than 24 inches (the "shotgun"), an item subject to the Regulations and covered by export control classification number 0A984, from the United States to Bosnia and Herzegovina without obtaining an export license from the Department of Commerce as required by Section 742.7(a) of the Regulations.

2. *One Violation of 15 C.F.R. §764.2(e) - Concealing a Shotgun with Knowledge that a Violation of the Regulations was Intended to Occur:* In connection with the attempted export referenced above, Curic concealed the shotgun knowing that the shotgun would be exported **from** the United States in violation of the Regulations. Pursuant to section 742.7(a) of the Regulations, an export license was required to export the shotgun, an item subject to the Regulations and covered by export control classification number 0A984, from the United States to Bosnia and Herzegovina. Curic **knew** that an export license was required **from** the Department of Commerce to export the shotgun to Bosnia and Herzegovina. However, Curic did not obtain a license to export the item.
3. *One Violation of 15 C. F. R. §764.2(g)(1) - Making a Material Misrepresentation on a Shipper 's Export Declaration:* In connection with the attempted export referenced above, Curic, through a freight forwarder, made a material misrepresentation to the United States Government by filing or causing to be filed a Shipper's Export

Declaration³ that stated falsely that Curic's vehicle would be "unpacked," *i.e.*, would not contain any personal belongings or other effects, when it was exported from the United States to Bosnia and Herzegovina and that license exception BAG authorized the export. In response to Curic's statement that his vehicle would be unpacked, the freight forwarder prepared and filed a Shipper's Export Declaration that stated "1 unpacked Lincoln Town Car" was being exported to Bosnia and Herzegovina under license exception BAG. These statements were false as Curic packed his vehicle with his belongings, including the shotgun, before attempting to export it. An export license was required for the export of the shotgun to Bosnia and Herzegovina.

BIS and Curic having entered into a Settlement Agreement pursuant to Section 766.18(b) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED:

FIRST, that for a period of three years from the date of this Order, Curic, and when acting for or on behalf of Curic, his representatives, agents, assigns or employees ("denied person") may not, directly or indirectly, participate in any way in any transaction involving any commodity, software, or technology (hereinafter collectively referred to as "item") exported or to be exported

³ A Shipper's Export Declaration is an export control document as defined in Part 772 of the Regulations.

from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, License Exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
- C. **Benefitting** in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

SECOND, that no person may, directly or indirectly, do any of the following:

- A. Export or reexport to or on behalf of the denied person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by the denied person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the denied person acquires or attempts to acquire such ownership, possession or control;
- C. Take any action to acquire from or to facilitate the acquisition or attempted

acquisition from the denied person of any item subject to the Regulations that has been exported from the United States;

- D. Obtain from the denied person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported **from** the United States; or
- E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported **from** the United States and which is owned, possessed or controlled by the denied person, or service any item, of whatever origin, that is owned, possessed or controlled by the denied person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

THIRD, that after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to Curic by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be subject to the provisions of this Order.

FOURTH, that this Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

FIFTH, that a copy of this Order shall be delivered to the United States Coast Guard ALJ Docketing Center, 40 Gay Street, Baltimore, Maryland 21202-4022, notifying that office that this

case is withdrawn from adjudication, as provided by Section 766.18 of the Regulations.

SIXTH, that the 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 upon the date of its publication in *the Federal Register*.


for Lisa A. Prager
Acting Assistant Secretary of Commerce
for Export Enforcement

Entered this 16th day of April 2003.