

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

In the Matter of:)
)
Ping Cheng)
23 Gracewood Drive)
Manhasset, NY 11030)
)
Respondent)

ORDER RELATING TO PING CHENG

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Ping Cheng, of Manhasset, NY (“Cheng”), of its intention to initiate an administrative proceeding against Cheng 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 Cheng that alleges that Cheng 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 (2011). The charged violation occurred in 2007 and 2008. The Regulations governing the violation at issue are found in the 2007 and 2008 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2007-08)). The 2011 Regulations set forth the procedures that 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 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 12, 2011 (76 Fed. Reg. 50,661 (Aug. 16, 2011)), 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(d) – Conspiracy to Export Items from the United States to China without the Required Licenses

Beginning at least in or around February 2007, and continuing through at least in or around April 2008, Cheng conspired or acted in concert with others, known and unknown, to violate the Regulations or to bring about an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to export items subject to the Regulations from the United States to the People's Republic of China ("China"), without the required U.S. Government authorization. Specifically, Cheng and others conspired to export Toray M40JB-6000-50B carbon fiber ("Toray M40") and Toray M60JB-6000-50B carbon fiber ("Toray M60") from the United States to China Academy of Space Technology ("CAST") in China without a license. The Toray M40 was subject to the Regulations, classified under Export Control Classification Number ("ECCN") 1C010.b, controlled for export to China for nuclear proliferation and national security reasons and valued at approximately \$91,800. The Toray M60 was an item subject to the Regulations, classified under ECCN 1C210.a, controlled for export to China for nuclear proliferation reasons and valued at approximately \$223,600. These exports required a license pursuant to Sections 742.3 and 742.4 of the Regulations.

In furtherance of the conspiracy to export Toray carbon fiber to CAST, Jianwei Ding, a.k.a. Will Ting, a representative of the entity procuring items for CAST, directed Cheng to inspect the Toray M60 materials to determine whether the materials were genuine. On or about May 18, 2007, Cheng, acting on these instructions, traveled from New York to the items' location in Minnesota to inspect a lot of 104 kilograms of Toray M60 material. During the inspection of the Toray M60 material, Cheng was handed a letter on BIS letterhead, which stated in part:

[T]his [Toray M60] has been classified under Export Control Classification Number (ECCN) 1C210.a. It is controlled for export for Nuclear Non-Proliferation and Anti-Terrorism reasons. As such, a license would be required to export this item to most destinations, including China and Singapore.

Despite the warning, on behalf of the entity procuring items for CAST, Cheng drafted an inspection report regarding the authenticity of the Toray M60 material. On or about May 20, 2007, Cheng sent the Toray M60 inspection report, as well as pictures he had taken of the items during the inspection, to his contacts at the entity procuring items for CAST.

On a second occasion, on or about July 13, 2007, Cheng, again having traveled from New York to the items' location in Minnesota on behalf of the entity procuring items for CAST, inspected a lot of 211 kilograms of Toray M40 material to determine whether those items were genuine. During this inspection, Cheng was verbally told of the export control requirements regarding the Toray M40 material. Again, despite this warning, and on behalf of the entity procuring items for CAST, Cheng drafted an inspection report regarding the authenticity of the Toray M40 material. On or about July 18, 2007, Cheng

sent the Toray M40 inspection report, as well as pictures he had taken of the items during the inspection, to his contacts at the entity procuring items for CAST.

Thereafter, acting on instructions from Ding, Cheng made preparations for the export of the Toray M40 and Toray M60 from the United States. On or about June 4, 2007 and on or about August 3, 2007, Cheng directed a freight forwarder to transport the Toray M60 and Toray M40 material, respectively, from Minnesota to New York to be stored by the freight forwarder in preparation of the unlicensed export of those items. Subsequently, on or about October 12, 2007, Ding requested that Cheng make a test export of one box of the Toray M40 materials from the United States, and Ding provided to Cheng the name of a specific individual at a specific company that would facilitate the export. When the efforts of Cheng to reach the specific individual provided by Ding were unsuccessful, on or about November 17, 2007, Cheng asked Ding to provide additional instructions and inform Ding that "had to make up the story I call for [a] rate quote." On or about November 22, 2007, Ding advised to try again and "only say 'a customer do have one box goods ship to Taiwan' she will know."

Acting on instructions from Ding, Cheng then directed the freight forwarder to export the Toray M40 and Toray M60 materials from the United States. Specifically, on or about April 13, 2008, Cheng instructed the freight forwarder to export the Toray M40 material to New Bluesky Technology Co. Ltd. in Hong Kong, and, on or about April 16, 2008, Cheng instructed the freight forwarder to export the Toray M60 material to Jowa Globaltech Ptd Ltd., a.k.a. FirmSpace Pte Ltd., in Singapore. These items were destined for CAST in China. Neither the Toray M40 materials nor the Toray M60 materials had the required export licenses.

In so doing, Cheng committed one violation of Section 764.2(d) of the Regulations.

WHEREAS, BIS and Cheng 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, Cheng shall be assessed a civil penalty in the amount of \$125,000. Cheng shall pay the U.S. Department of Commerce in two installments of: \$25,000 not later than April 2, 2012; and \$25,000 not later than September 4, 2012. If either of the two installment payments is not fully and timely made, any remaining scheduled installment

payments and any suspended penalty shall become due and owing immediately. Payment of the remaining \$75,000 shall be suspended for a period of two years from the date of the Order, and thereafter shall be waived, provided that during this two-year probationary period under the Order, Cheng has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$50,000 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, Cheng 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 Cheng shall complete an export controls compliance training program on the Regulations within twelve months of issuance of this Order. Before he attends such training course or program, Cheng shall notify the Office of Export Enforcement, Special Agent in Charge of the Chicago Field Office, of the course or program he plans to attend. No later than one month after attending the compliance course or program, Cheng shall submit to the Office of Export Enforcement, Office of Export Enforcement, Special Agent in Charge of the Chicago Field Office, a certification of attendance issued by the training provider.

FOURTH, that the full and timely payment of the civil penalty in accordance with the payment schedule set forth above and the completion and submission of verification of attendance at an export compliance training as set forth above, are 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 Cheng. Accordingly, if Cheng should fail to pay the civil penalty in a full and timely manner or fail to complete and submit verification of attendance at an export compliance training, the undersigned may issue an Order denying all of Cheng's export privileges under the Regulations for a period of one year from the date of failure to make such payment or to complete and submit verification of attendance at an export compliance training program.

FIFTH, that for a period of two (2) years from the date of this Order, Cheng, with a last known address of 23 Gracewood Drive, Manhasset, NY 11030, and when acting on his behalf, his successors, assigns, representatives, agents or employees (hereinafter collectively referred to as "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 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.

SIXTH, 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

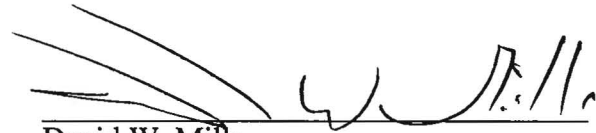
purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

SEVENTH, 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 the Denied Person by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of the Order.

EIGHTH, that, as authorized by Section 766.18(c) of the Regulations, the two-year denial period set forth above shall be suspended, and shall thereafter be waived at the conclusion of the two-year denial period, provided that Cheng has made full and timely payment as set forth above, has completed and submitted verification of attendance at an export compliance training as set forth above, and has committed no other violation of the Act or any regulation, order, license or authorization issued thereunder during the two-year denial period. If Cheng does not make full and timely payment in as set forth above or has not completed and submitted verification of attendance at an export compliance training program as set forth above, the suspension may be modified or revoked by BIS.

NINTH, 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 17th day of March, 2012.

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

In the Matter of:)
)
Ping Cheng)
23 Gracewood Drive)
Manhasset, NY 11030)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Ping Cheng (“Cheng”) 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 Cheng 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 Cheng that alleged that Cheng 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 (2011). The charged violation occurred in 2007 and 2008. The Regulations governing the violation at issue are found in the 2007 and 2008 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2007-08)). The 2011 Regulations set forth the procedures that apply to this matter.

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Charge 1 15 C.F.R. § 764.2(d) – Conspiracy to Export Items from the United States to China without the Required Licenses

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In so doing, Cheng committed one violation of Section 764.2(d) of the Regulations.

WHEREAS, Cheng 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, Cheng 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, Cheng enters into this Agreement voluntarily and with full knowledge of his rights, after having consulted with counsel;

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

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

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

WHEREAS, Cheng 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 Cheng, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. The following sanction shall be imposed against Cheng in complete settlement of the alleged violation of the Regulations relating to the transaction specifically detailed in the Proposed Charging Letter:
 - a. Cheng shall be assessed a civil penalty in the amount of \$125,000. Cheng shall pay the U.S. Department of Commerce in two installments of: \$25,000 not later than April 2, 2012; and \$25,000 not later than September 4, 2012. Payment shall be made in the manner specified in the accompanying instructions. If either of the two installment payments is not fully and timely made, any remaining scheduled installment payments and any suspended penalty shall become due and owing immediately. Payment of the remaining \$75,000 shall be suspended for a period of two years from the date of the Order, and thereafter shall be waived, provided that during this two-year probationary period

under the Order, Cheng has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$50,000 as set forth above.

b. Cheng shall complete export compliance training program on the Regulations within twelve months from the date of the Order. Before he attends such training course or program, Cheng shall notify the Office of Export Enforcement, Special Agent in Charge of the Chicago Field Office, of the course or program he plans to attend. No later than one month after attending the compliance course or program, Cheng shall submit to the Office of Export Enforcement, Office of Export Enforcement, Special Agent in Charge of the Chicago Field Office, a certification of attendance issued by the training provider.

c. The full and timely payment of the civil penalty agreed to in Paragraph 2. a and the timely completion and submission of verification of attendance at an export compliance training in Paragraph 2.b, are hereby made conditions to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Cheng. Failure to make full and timely payment of the civil penalty or to complete and submit verification of attendance at an export compliance training as set forth above, may result in the denial of all of Cheng's export privileges under the Regulations for one year from the date of the failure to make such payment or to complete and submit verification of attendance at an export compliance training program.

d. For a period of two (2) years from the date of entry of the Order, Cheng, with a last known address of 23 Gracewood Drive, Manhasset, NY 11030, and when acting for or on his behalf, his successors, assigns, representatives, agents or employees (hereinafter collectively referred to as “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 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.

e. BIS agrees that, as authorized by Section 766.18(c) of the Regulations, the two-year denial period set forth in Paragraph 2.d shall be suspended, provided that Cheng has made full and timely payment in accordance

with Paragraph 2.a above, has completed and submitted verification of attendance at an export compliance training in Paragraph 2.b and has committed no other violation of the Act or any regulation, order, license or authorization issued thereunder during the two-year denial period. If Cheng does not make full and timely payment in accordance with Paragraph 2.a above or has not completed and submitted verification of attendance at an export compliance training program in Paragraph 2.b, the suspension may be modified or revoked by BIS.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Cheng 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. Cheng 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, if issued, until the later of the date Cheng pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement or the date Cheng has completed and submitted verification of attendance at an export compliance training agreed to in Paragraph 2.b of this Agreement.

4. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a above and completion and submission of verification of attendance at export compliance training set forth in Paragraph 2.b above, BIS will not initiate any further administrative proceeding against Cheng in connection with any violation of the Act or the Regulations arising out of the transactions 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 his respective party to the terms and conditions set forth herein.

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



Douglas R. Hassebrock
Director
Office of Export Enforcement


Date: 3/16, 2012



Ping Cheng

Date: 6 March, 2012

Reviewed and approved by:



John E. Dibble
Attorney at Law
Counsel for Ping Cheng

Date: 3/9, 2012

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ping Cheng
23 Gracewood Drive
Manhasset, NY 11030

Dear Mr. Cheng:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that you, Ping Cheng, in your individual capacity, have 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 charges that Cheng committed the following violation:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy to Export Items from the United States to China without the Required Licenses

Beginning at least in or around February 2007, and continuing through at least in or around April 2008, Cheng conspired or acted in concert with others, known and unknown, to violate the Regulations or to bring about an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to export items subject to the Regulations from the United States to the People’s Republic of China (“China”), without the required U.S. Government authorization. Specifically, Cheng and others conspired to export Toray M40JB-6000-50B carbon fiber (“Toray M40”) and Toray M60JB-6000-50B carbon fiber (“Toray M60”) from the United States to China Academy of Space Technology (“CAST”) in China without a license. The Toray M40 was subject to the Regulations, classified under Export Control Classification Number (“ECCN”) 1C010.b, controlled for export to China for nuclear proliferation and national security reasons and valued at approximately \$91,800. The Toray M60 was an item subject to the Regulations, classified under ECCN 1C210.a, controlled for export to China for nuclear proliferation reasons

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and valued at approximately \$223,600. These exports required a license pursuant to Sections 742.3 and 742.4 of the Regulations.

In furtherance of the conspiracy to export Toray carbon fiber to CAST, Jianwei Ding, a.k.a. Will Ting, a representative of the entity procuring items for CAST, directed Cheng to inspect the Toray M60 materials to determine whether the materials were genuine. On or about May 18, 2007, Cheng, acting on these instructions, traveled from New York to the items' location in Minnesota to inspect a lot of 104 kilograms of Toray M60 material. During the inspection of the Toray M60 material, Cheng was handed a letter on BIS letterhead, which stated in part:

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Thereafter, acting on instructions from Ding, Cheng made preparations for the export of the Toray M40 and Toray M60 from the United States. On or about June 4, 2007 and on or about August 3, 2007, Cheng directed a freight forwarder to transport the Toray M60 and Toray M40 material, respectively, from Minnesota to New York to be stored by the freight forwarder in preparation of the unlicensed export of those items. Subsequently, on or about October 12, 2007, Ding requested that Cheng make a test export of one box of the Toray M40 materials from the United States, and Ding provided to Cheng the name of a specific individual at a specific company that would facilitate the export. When the efforts of Cheng to reach the specific individual provided by Ding were unsuccessful, on or about November 17, 2007, Cheng asked Ding to provide additional instructions and inform Ding that "had to make up the story I call for [a] rate quote." On or about November 22, 2007, Ding advised to try again and "only say 'a customer do have one box goods ship to Taiwan' she will know."

Acting on instructions from Ding, Cheng then directed the freight forwarder to export the Toray M40 and Toray M60 materials from the United States. Specifically, on or about April 13, 2008,

Cheng instructed the freight forwarder to export the Toray M40 material to New Bluesky Technology Co. Ltd. in Hong Kong, and, on or about April 16, 2008, Cheng instructed the freight forwarder to export the Toray M60 material to Jowa Globaltech Ptd Ltd., a.k.a. FirmSpace Pte Ltd., in Singapore. These items were destined for CAST in China. Neither the Toray M40 materials nor the Toray M60 materials had the required export licenses.

In so doing, Cheng committed one violation of Section 764.2(d) of the Regulations.

* * * * *

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

Cheng is further notified that he is entitled to an agency hearing on the record if he files a written demand for one with his answer. *See* 15 C.F.R. § 766.6. Cheng is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent him. *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 Cheng have a proposal to settle this case, Cheng or its representative should transmit it to the attorney representing BIS named below.

Cheng is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Cheng may be eligible for assistance from the Office of the National Ombudsman of the Small

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

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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, Cheng'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 Cheng's answer must be served on BIS at the following address:

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

Adrienne Frazier is the attorney representing BIS in this case; any communications that Cheng may wish to have concerning this matter should occur through her. Ms. Frazier may be contacted by telephone at (202) 482-5301.

Sincerely,

Douglas Hassebrock
Director
Office of Export Enforcement