

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

In the Matter of:

Global Metcorp LLC
328 Amboy Avenue, Suite C
Metuchen, New Jersey 08840

Respondent

ORDER RELATING TO
GLOBAL METCORP LLC

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Global Metcorp LLC, of Metuchen, New Jersey (“Global Metcorp”), of its intention to initiate an administrative proceeding against Global Metcorp 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 Global Metcorp that alleges that Global Metcorp committed two violations of the Regulations. Specifically, the charges are:

Charge 1 15 C.F.R. §764.2(a) –Export of Scrap Steel to a Listed Entity in Pakistan Without the Required Licenses

On one occasion on or about May 4, 2010, Global Metcorp engaged in conduct prohibited by the Regulations when it exported scrap steel, an item subject to the

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2012). The charged violations occurred in 2010. The Regulations governing the violations at issue are found in the 2010 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2012 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.*).

Regulations and designated EAR99³ from the United States to People's Steel Mills in Pakistan without the Department of Commerce license required by Section 744.1 and Supplement No. 4 to Part 744 of the Regulations. The scrap steel had a value of \$77,718.55. At all times relevant hereto, People's Steel Mills was an organization listed on the Entity List set forth at Supplement No. 4 to Part 744 of the Regulations. In so doing, Global Metcorp committed one violation of Section 764.2(a) of the Regulations.

**Charge 2 15 C.F.R. §764.2(c) – Attempted Export of Scrap Steel to
Pakistan Listed Entity Without the Required License**

On one occasion on or about July 20, 2010, Global Metcorp attempted a violation of the Regulations when it took steps to export scrap steel, an item subject to the Regulations, designated EAR99, and valued at \$212,613.10, from the United States to People's Steel Mills in Pakistan without the Department of Commerce license required by Section 744.1 and Supplement No. 4 to Part 744 of the Regulations. Global Metcorp arranged for the export of the scrap steel, which ultimately was routed to a different, authorized destination only after BIS's Office of Export Enforcement issued a redelivery notice pursuant to Section 758.8 of the Regulations. At all times relevant hereto, People's Steel Mills was an organization listed on the Entity List set forth at Supplement No. 4 to Part 744 of the Regulations. In so doing, Global Metcorp committed one violation of Section 764.2(c) of the Regulations.

WHEREAS, BIS and Global Metcorp 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, Global Metcorp shall be assessed a civil penalty in the amount of \$50,000. Global Metcorp shall pay the U.S. Department of Commerce in four installments of: \$2,500 not later than August 15, 2012; \$2,500 not later than September 15, 2012; \$2,500 not later than October 15, 2012 and \$2,500 not later than November 15, 2012. Payment of the remaining \$40,000 shall be suspended for a period of two years from the date of

³ EAR99 is a designation for items subject to the Regulations that are not listed on the Commerce Control List, which is set forth at Supplement No. 1 to Part 774 of the Regulations. 15 C.F.R § 774.1 (2010).

the Order, and thereafter shall be waived, provided that during this two-year payment probationary period under the Order, Global Metcorp has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$10,000 as set forth above. If any of the four installment payments is not fully and timely made, any remaining scheduled installment payments and any suspended penalty shall become due and owing immediately.

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, Global Metcorp 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, Global Metcorp's President shall complete an export compliance training on the Regulations within twelve months from the date of the Order. Before he attends a training course or program, Global Metcorp shall notify the Office of Export Enforcement, Special Agent in Charge of the New York Field Office, of the course or program he has selected to attend. No later than one month after attending the compliance course or program, Global Metcorp shall submit a certification of attendance from the training provider to the Office of Export Enforcement, 1200 South Ave, Suite 104, Staten Island, NY 10314.

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

conditions to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Global Metcorp. Accordingly, if Global Metcorp should fail to pay the civil penalty in a full and timely manner or complete and submit verification of attendance of an export compliance training, the undersigned may issue an Order denying all of Global Metcorp'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 of an export compliance training.

FIFTH, 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 6th day of August, 2012.

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

In the Matter of:

Global Metcorp LLC
328 Amboy Avenue, Suite C
Metuchen, New Jersey 08840

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Global Metcorp LLC, of Metuchen, New Jersey ("Global Metcorp"), 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 Global Metcorp of its intentions to initiate an administrative proceeding against Global Metcorp, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Proposed Charging Letter to Global Metcorp that alleges that Global Metcorp committed two violations of the Regulations, specifically:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2012). The charged violations occurred in 2010. The Regulations governing the violations at issue are found in the 2010 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2012 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(a) –Export of Scrap Steel to a Listed Entity in
Pakistan Without the Required Licenses**

On one occasion on or about May 4, 2010, Global Metcorp engaged in conduct prohibited by the Regulations when it exported scrap steel, an item subject to the Regulations and designated EAR99³ from the United States to People's Steel Mills in Pakistan without the Department of Commerce license required by Section 744.1 and Supplement No. 4 to Part 744 of the Regulations. The scrap steel had a value of \$77,718.55. At all times relevant hereto, People's Steel Mills was an organization listed on the Entity List set forth at Supplement No. 4 to Part 744 of the Regulations. In so doing, Global Metcorp committed one violation of Section 764.2(a) of the Regulations.

**Charge 2 15 C.F.R. §764.2(c) – Attempted Export of Scrap Steel to Pakistan
Listed Entity Without the Required License**

On one occasion on or about July 20, 2010, Global Metcorp attempted a violation of the Regulations when it took steps to export scrap steel, an item subject to the Regulations, designated EAR99, and valued at \$212,613.10, from the United States to People's Steel Mills in Pakistan without the Department of Commerce license required by Section 744.1 and Supplement No. 4 to Part 744 of the Regulations. Global Metcorp arranged for the export of the scrap steel, which ultimately was routed to a different, authorized destination only after BIS's Office of Export Enforcement issued a redelivery notice pursuant to Section 758.8 of the Regulations. At all times relevant hereto, People's Steel Mills was an organization listed on the Entity List set forth at Supplement No. 4 to Part 744 of the Regulations. In so doing, Global Metcorp committed one violation of Section 764.2(c) of the Regulations.

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

³ EAR99 is a designation for items subject to the Regulations that are not listed on the Commerce Control List, which is set forth at Supplement No. 1 to Part 774 of the Regulations. 15 C.F.R. § 774.1 (2010).

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

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

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

WHEREAS, Global Metcorp 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 Global Metcorp, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.
2. The following sanctions shall be imposed against Global Metcorp in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the Proposed Charging Letter:
 - a. Global Metcorp shall be assessed a civil penalty in the amount of \$50,000. Global Metcorp shall pay the U.S. Department of Commerce in four installments of: \$2,500 not later than August 15, 2012; \$2,500 not later than September 15, 2012; \$2,500 not later than October 15, 2012 and \$2,500 not later than November 15, 2012. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$40,000 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 payment probationary period under the Order, Global Metcorp has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder and has made full

and timely payment of \$10,000 as set forth above. If any of the four installment payments is not fully and timely made, any remaining scheduled installment payments and any suspended penalty shall become due and owing immediately.

b. Global Metcorp's President shall complete an export compliance training on the Regulations within twelve months from the date of the Order. Before he attends a training course or program, Global Metcorp shall notify the Office of Export Enforcement, Special Agent in Charge of the New York Field Office, of the course or program he has selected to attend. No later than one month after attending the compliance course or program, Global Metcorp shall submit a certification of attendance from the training provider to the Office of Export Enforcement, 1200 South Ave, Suite 104, Staten Island, NY 10314.

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 Global Metcorp. 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 Global Metcorp'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.

3. Subject to the approval of this Agreement pursuant to Paragraph 7 hereof, Global Metcorp 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. Global Metcorp 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 the later of the date Global Metcorp pays in full the civil penalty agreed to in Paragraph 2.a of this Agreement or has completed and submitted verification of attendance at an export compliance training in Paragraph 2.b.

4. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a and completion and submission of verification of attendance at an export compliance training in Paragraph 2.b, BIS will not initiate any further administrative proceeding against Global Metcorp in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

5. 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.

6. 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,

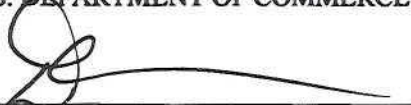
if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

7. 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.

8. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, available to the public.

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 of Export Enforcement

GLOBAL METCORP LLC



Gaurav Chaudhary
President

Date: 7/31/2012

Date: 07/27/2012

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Global Metcorp LLC
328 Amboy Avenue, Suite C
Metuchen, New Jersey 08840

Attn: *Gaurav Chaudhary, President*

Dear Mr. Chaudhary:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Global Metcorp LLC of Metuchen, New Jersey, (“Global Metcorp”) has committed two violations of 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 charges that Global Metcorp committed the following violations:

Charge 1 15 C.F.R. §764.2(a) –Export of Scrap Steel to a Listed Entity in Pakistan Without the Required Licenses

On one occasion on or about May 4, 2010, Global Metcorp engaged in conduct prohibited by the Regulations when it exported scrap steel, an item subject to the Regulations and designated EAR99³ from the United States to People’s Steel Mills in Pakistan without the Department of Commerce license required by Section 744.1 and Supplement No. 4 to Part 744 of the Regulations. The scrap steel had a value of \$77,718.55. At all times relevant hereto, People’s Steel Mills was an organization listed on the Entity List set forth at Supplement No. 4 to Part 744 of the Regulations. In so doing, Global Metcorp committed one violation of Section 764.2(a) of the Regulations.

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³ EAR99 is a designation for items subject to the Regulations that are not listed on the Commerce Control List, which is set forth at Supplement No. 1 to Part 774 of the Regulations. 15 C.F.R. § 774.1 (2010).

**Charge 2 15 C.F.R. §764.2(c) – Attempted Export of Scrap Steel to Pakistan
Listed Entity Without the Required License**

On one occasion on or about July 20, 2010, Global Metcorp attempted a violation of the Regulations when it took steps to export scrap steel, an item subject to the Regulations, designated EAR99, and valued at \$212,613.10, from the United States to People's Steel Mills in Pakistan without the Department of Commerce license required by Section 744.1 and Supplement No. 4 to Part 744 of the Regulations. Global Metcorp arranged for the export of the scrap steel, which ultimately was routed to a different, authorized destination only after BIS's Office of Export Enforcement issued a redelivery notice pursuant to Section 758.8 of the Regulations. At all times relevant hereto, People's Steel Mills was an organization listed on the Entity List set forth at Supplement No. 4 to Part 744 of the Regulations. In so doing, Global Metcorp committed one violation of Section 764.2(c) of the Regulations.

* * * * *

Accordingly, Global Metcorp 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;⁴
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

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

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

⁴ *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

Global Metcorp LLC
Charging Letter
Page 3 of 3

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

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

Thea D. R. Kendler is the attorney representing BIS in this case; any communications that Global Metcorp may wish to have concerning this matter should occur through her. Ms. Kendler may be contacted by telephone at (202) 482-5301.

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement