

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

In the Matter of:

Jaeyoun Jung
16823 124th Ave., Ct. E
Puyallup, WA 98374

ORDER RELATING TO
JAEYOUN JUNG

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Jaeyoun Jung, of Puyallup, Washington (“Jung”), of its intention to initiate an administrative proceeding against Jung pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ through the issuance of a Proposed Charging Letter to Jung that alleges that Jung committed one violation of the Regulations.² Specifically:

Charge 1 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct

On one occasion on or about October 3, 2018, Jung engaged in conduct prohibited by the Regulations. Specifically, Jung exported from the United States to South Korea optical

¹ On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). While Section 1766 of ECRA repeals the provisions of the Export Administration Act of 1979 (“EAA”), 50 U.S.C. §§ 4601-4623 (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to the International Emergency Economic Powers Act, 50 U.S.C. § 1701, *et seq.* (“IEEPA”), and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2021). The charged violation occurred in 2018. The Regulations governing the violation at issue are found in the 2018 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2022 Regulations set forth the procedures that apply to this matter.

magnifiers (the “items”) without the required BIS license. At all times pertinent to the transaction at issue, these items were subject to the Regulations, classified on the Commerce Control List (the “CCL”) under Export Control Classification Number (“ECCN”) 0A987.e, and controlled for Crime Control (“CC”) reasons. The items were valued in total at approximately \$10,947. Pursuant to Section 742.7 of the Regulations, a BIS license was required to export the items to South Korea.

Jung ordered the items from a supplier located in Auburn, Washington. On or about October 3, 2018, Jung exported the items to a buyer in South Korea. U.S. Customs and Border Protection officers seized the items. At no time was the required BIS license obtained for the export of the items to South Korea.

By exporting the items without the required BIS license, Jung committed one violation of Section 764.2(a) of the Regulations.

WHEREAS, BIS and Jung 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;

WHEREAS, Jung admits committing the alleged conduct described in the Proposed Charging Letter; and

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, for a period of two (2) years from the date of the Order, Jung, with a last known address of 16823 124th Ave., Ct. E, Puyallup, Washington, shall be made subject to a two-year denial of his export privileges under the Regulations (“denial”). As authorized by Section 766.18(c) of the Regulations, such denial shall be suspended for a two-year probationary period and shall thereafter be waived, provided that Jung has not committed another violation of ECRA, the Regulations, or any order, license or authorization issued under ECRA or the Regulations, and has completed an export controls compliance training as

described below. If Jung commits another violation of ECRA, the Regulations, or any order, license or authorization issued under ECRA or the Regulations during the two-year suspension period under the Order, or fails to complete the export controls compliance training, the suspension of the denial may be modified or revoked by BIS pursuant to Section 766.17(c) of the Regulations and a denial order (including a two-year denial period) activated against Jung. If the suspension of the denial is modified or revoked, the activation order may also revoke any BIS licenses in which Jung has an interest at the time of the activation order.³

SECOND, Jung shall complete an export compliance training on the Regulations within twelve (12) months from the date of the Order. Before he attends a compliance training course or program, Jung shall notify the Office of Export Enforcement, Special Agent in Charge of the Portland Resident Office, of the course or program he has selected to attend. No later than one month after attending the compliance training course or program, Jung shall submit a certification of attendance from the training provider to the Office of Export Enforcement, 1220 SW 3rd Avenue, Suite 1002, Portland, Oregon 97204.

THIRD, the timely 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 Jung.

³ Such a revocation would include licenses existing at the time of the activation order, whether the license had issued before or after ECRA's enactment on August 13, 2018. *See* Note 1, *supra*.

FOURTH, should the suspension of the denial be modified or revoked pursuant to Section 766.17(c) of the Regulations, and a denial order (including a two-year denial period) be activated against Jung, for the duration of such denial order, Jung, and when acting for or on his behalf, his successors, assigns, directors, officers, employees, representatives, or agents (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 engaging 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 from any other activity subject to the Regulations.

FIFTH, should the suspension of the denial be modified or revoked, and a denial order be activated against Jung, for the duration of the denial order, 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.

SIXTH, 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 ownership, control, position of responsibility, affiliation, or other

connection in the conduct of trade or business may also be made subject to the provisions of this Order.

SEVENTH, 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.



Matthew S. Axelrod
Assistant Secretary of Commerce
for Export Enforcement

Issued this 5th day of July, 2023.

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

In the Matter of:

Jaeyoun Jung
16823 124th Ave., Ct. E
Puyallup, WA 98374

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Jaeyoun Jung, of Puyallup, Washington (“Jung”), 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

WHEREAS, BIS has notified Jung of its intentions to initiate an administrative proceeding against Jung pursuant to the Regulations;²

WHEREAS, BIS has issued a Proposed Charging Letter to Jung that alleges that Jung committed one violation of the Regulations, specifically:

¹ On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). While Section 1766 of ECRA repeals the provisions of the Export Administration Act of 1979 (“EAA”), 50 U.S.C. §§ 4601-4623 (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to the International Emergency Economic Powers Act, 50 U.S.C. § 1701, *et seq.* (“IEEPA”), and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2021). The charged violation occurred in 2018. The Regulations governing the violation at issue are found in the 2018 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2022 Regulations set forth the procedures that apply to this matter.

Charge 1 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct

On one occasion on or about October 3, 2018, Jung engaged in conduct prohibited by the Regulations. Specifically, Jung exported from the United States to South Korea optical magnifiers (the “items”) without the required BIS license. At all times pertinent to the transaction at issue, these items were subject to the Regulations, classified on the Commerce Control List (the “CCL”) under Export Control Classification Number (“ECCN”) 0A987.e, and controlled for Crime Control (“CC”) reasons. The items were valued in total at approximately \$10,947. Pursuant to Section 742.7 of the Regulations, a BIS license was required to export the items to South Korea.

Jung ordered the items from a supplier located in Auburn, Washington. On or about October 3, 2018, Jung exported the items to a buyer in South Korea. U.S. Customs and Border Protection officers seized the items. At no time was the required BIS license obtained for the export of the items to South Korea.

By exporting the items without the required BIS license, Jung committed one violation of Section 764.2(a) of the Regulations.

WHEREAS, Jung has reviewed the Proposed Charging Letter and is aware of the allegations made against him and the administrative sanctions that could be imposed against him if the allegations are found to be true;

WHEREAS, Jung has reviewed the terms of this Agreement, 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, and the Proposed Charging Letter, and understands the terms of all three documents;

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

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

WHEREAS, Jung admits committing the alleged conduct described in the Proposed Charging Letter; and

WHEREAS, Jung agrees to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree, for purposes of this Agreement, as follows:

1. BIS has jurisdiction over Jung, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.

2. The following sanctions shall be imposed against Jung:

a. For a period of two (2) years from the date of the Order, Jung shall be made subject to a two-year denial of his export privileges under the Regulations (“denial”). As authorized by Section 766.18(c) of the Regulations, such denial shall be suspended during this two-year probationary period and shall thereafter be waived, provided that Jung has not committed another violation of ECRA, the Regulations, or any order, license or authorization issued under ECRA or the Regulations, and has completed an export controls compliance training as described below. If Jung commits another violation of ECRA, the Regulations, or any order, license or authorization issued under ECRA or the Regulations during the two-year suspension period under the Order, or fails to complete the export controls compliance training, the suspension of the denial may be modified or revoked by BIS pursuant to Section 766.17(c) of the Regulations and a denial order (including a two-year denial period) activated against Jung. If the suspension of the denial is modified or revoked, the activation order may also revoke any BIS licenses in which Jung has an interest at the time of the activation order.³

³ Such a revocation would include licenses existing at the time of the activation order, whether the license had issued before or after ECRA’s enactment on August 13, 2018. *See* Note 1, *supra*.

b. Should the suspension of the denial be modified or revoked pursuant to Section 766.17(c) of the Regulations, and a denial order (including a two-year denial period) be activated against Jung, for the duration of such denial order, Jung, and when acting for or on his behalf, his successors, assigns, directors, officers, employees, representatives, or agents (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 engaging 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 from any other activity subject to the Regulations.

c. Jung shall complete an export compliance training on the Regulations within twelve (12) months from the date of the Order. Before he

attends a compliance training course or program, Jung shall notify the Office of Export Enforcement, Special Agent in Charge of the Portland Resident Office, of the course or program he has selected to attend. No later than one month after attending the compliance training course or program, Jung shall submit a certification of attendance from the training provider to the Office of Export Enforcement, 1220 SW 3rd Avenue, Suite 1002, Portland, Oregon, 97204.

d. The timely completion and submission of verification of attendance at an export compliance training in paragraph 2.c 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 Jung.

3. Subject to the approval of this Agreement pursuant to Paragraph 7 hereof, Jung hereby waives all rights to further procedural steps in this matter including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any charging letter; and (b) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued. Jung 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 enforcement of this Agreement and the Order, if issued, from the date of the Order until the two-year suspension period under the Order has successfully run.

4. BIS agrees that upon successful compliance in full with the terms of this Agreement and the Order, if issued, BIS will not initiate any further administrative

proceeding against Jung in connection with any violation of 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/she has authority to enter into this Agreement and to bind his/her respective party to the terms and conditions set forth herein.

SECURITY
U.S. DEPARTMENT OF COMMERCE



John Sonderman
Director of Export Enforcement

Date: 7/5/2023



Jaeyoun Jung

Date: 6/21/23

PROPOSED CHARGING LETTER

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Jaeyoun Jung
16823 124th Ave., Ct. E
Puyallup, WA 98374

Dear Mr. Jung,

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Jaeyoun Jung of Puyallup, Washington (“Jung”), has violated the Export Administration Regulations (the “Regulations”).¹ Specifically, BIS alleges that Jung violated the Regulations as follows:²

Charge 1 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct

On or about October 3, 2018, Jung engaged in conduct prohibited by the Regulations. Specifically, Jung exported from the United States to South Korea optical magnifiers (the “items”) without the required BIS license. At all times pertinent to the transaction at issue, these items were subject to the Regulations, classified on the Commerce Control List (the “CCL”) under Export Control Classification Number (“ECCN”) 0A987.e, and controlled for Crime Control (“CC”) reasons. The items were valued in total at approximately \$10,947. Pursuant to Section 742.7 of the Regulations, a BIS license was required to export the items to South Korea.

Jung ordered the items from a supplier located in Auburn, Washington. On or about October 3, 2018, Jung exported the items to a buyer in South Korea. U.S. Customs and Border Protection officers seized the items. At no time was the required BIS license obtained for the export of the items to South Korea.

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² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2021). The violation alleged occurred in 2018. The Regulations governing the violation at issue are found in the 2018 version of the Code of Federal Regulations, 15 C.F.R. Parts 730-774. The 2022 Regulations govern the procedural aspects of this case.

By exporting the items without the required BIS license, Jung committed one violation of Section 764.2(a) of the Regulations.

* * * * *

Accordingly, Jung is hereby notified that an administrative proceeding is instituted against him pursuant to 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 \$353,534 per violation,³ or twice the value of the transaction that is the basis of the violation;⁴
- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

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

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

³ *See* 15 C.F.R. §§ 6.3(c)(6), 6.4. This amount is subject to annual increases pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Sec. 701 of Public Law 114-74, enacted on November 2, 2015. *See* 88 Fed. Reg. 3,5 (Adjusting for inflation the maximum civil monetary penalty under ECRA from \$328,121 to \$353,534 effective January 15, 2023).

⁴ *See* Export Control Reform Act of 2018, 50 U.S.C. § 4819(c)(1)(A) (2019).

Jaeyoun Jung
Proposed Charging Letter
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Jung is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Jung 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, Jung'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 Jung's answer must be served on BIS at the following address:

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

Mr. Berry is the attorney representing BIS in this case; any communications that Jung may wish to have concerning this matter should occur through him. Mr. Berry may be contacted by email at ABerry1@doc.gov.

Sincerely,

John Sonderman
Director
Office of Export Enforcement