



This document is scheduled to be published in the Federal Register on 02/12/2015 and available online at <http://federalregister.gov/a/2015-02912>, and on FDsys.gov

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

In the Matter of:)
)
Maple Pacific Corporation)
26671 Sierra Vista)
Mission Viejo, CA 96292)
)
Respondent.)
)
Andrew Hsu)
26671 Sierra Vista)
Mission Viejo, CA 96292)
)

Related Person.)

ORDER DENYING EXPORT PRIVILEGES

A. Denial of Export Privileges of Maple Pacific Corporation

On February 6, 2012, in the U.S. District Court, Central District of California, Maple Pacific Corporation (“Maple Pacific”), was convicted of violating the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.* (2006 & Supp. IV 2010)) (“IEEPA”). Specifically, Maple Pacific willfully exported and transshipped goods, namely, industrial parts used to maintain equipment in the steel manufacturing industry, from the United States to Iran without first obtaining from the United States Department of Commerce, Office of Foreign Assets Control, a license or written authorization for such export and transshipment, knowing such a license or authorization was required. Maple Pacific was sentenced to probation for two years, a \$5,000 fine and \$400 assessment.

Section 766.25 of the Export Administration Regulations (“EAR” or “Regulations”)¹ provides, in pertinent part, that “[t]he Director of the Office of Exporter Services, in consultation with the Director of the Office of Export Enforcement, may deny the export privileges of any person who has been convicted of a violation of the EAA, the EAR, of any order, license or authorization issued thereunder; any regulation, license, or order issued under the International Emergency Economic Powers Act (50 U.S.C. 1701-1706); 18 U.S.C. 793, 794 or 798; section 4(b) of the Internal Security Act of 1950 (50 U.S.C. 783(b)), or section 38 of the Arms Export Control Act (22 U.S.C. 2778).” 15 C.F.R. § 766.25(a); *see also* Section 11(h) of the EAA, 50 U.S.C. app. § 2410(h). The denial of export privileges under this provision may be for a period of up to ten (10) years from the date of the conviction. 15 C.F.R. § 766.25(d); *see also* 50 U.S.C. app. § 2410(h). In addition, Section 750.8 of the Regulations states that the Bureau of Industry and Security’s Office of Exporter Services may revoke any Bureau of Industry and Security (“BIS”) licenses previously issued in which the person had an interest in at the time of his conviction.

BIS received notice of Maple Pacific’s conviction for violating the IEEPA, and has provided notice and an opportunity for Maple Pacific to make a written submission to

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2014). The Regulations are issued pursuant to the Export Administration Act of 1979 (50 U.S.C. app. §§ 2401-2420 (2000)) (“the EAA” or “the Act”). Since August 21, 2001, the EAA 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 7, 2014 (79 Fed. Reg. 46959 (August 11, 2014)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.* (2006 & Supp. IV 2010)).

BIS, as provided in Section 766.25 of the Regulations. BIS has not received a submission from Maple Pacific. Based upon my review and consultations with BIS's Office of Export Enforcement, including its Director, and the facts available to BIS, I have decided to deny Maple Pacific's export privileges under the Regulations for a period of ten (10) years from the date of Maple Pacific's conviction. I have also decided to revoke all licenses issued pursuant to the Act or Regulations in which Maple Pacific had an interest at the time of its conviction.

B. Denial of Export Privileges of Related Person Andrew Hsu

Pursuant to Sections 766.25(h) and 766.23 of the Regulations, the Director of BIS's Office of Exporter Services, in consultation with the Director of BIS's Office of Export Enforcement, may, in order to prevent evasion of a denial order, make a denial order applicable not only to the respondent, but also to other persons related to the respondent by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business.

As provided in Section 766.23 of the Regulations, BIS gave notice to Andrew Hsu ("Hsu") that his export privileges under the Regulations could be denied for up to ten (10) years due to his relationship with Maple Pacific and that BIS believed that naming Hsu as a person related to Maple Pacific would be necessary to prevent evasion of a denial order imposed against Maple Pacific. In providing such notice, BIS gave Hsu an opportunity to oppose its addition to the Maple Pacific Denial Order as a related party.

Having received no submission from Hsu, I have decided, following consultations with BIS's Office of Export Enforcement, including its Director, to include name Hsu as a Related Person and make this Denial Order applicable to Hsu, thereby denying his

export privileges for ten (10) years from the date of Maple Pacific's conviction. I have also decided to revoke all licenses issued pursuant to the Act or Regulations in which Hsu had an interest at the time of Maple Pacific's conviction. The 10-year denial period is scheduled to end on February 6, 2022.

Hsu is the sole owner of Maple Pacific and performed all aspects of Maple Pacific's operations. Therefore, Hsu is related to Maple Pacific within the meaning of Section 766.23. BIS also has reason to believe that Hsu should be added as a related person in order to prevent evasion of this Denial Order.

Accordingly, it is hereby **ORDERED**:

First, from the date of this Order until February 6, 2022, Maple Pacific Corporation, with a last known address of 26671 Sierra Vista, Mission Viejo, CA 96292, and when acting for or on its behalf, its successors, assigns, directors, officers, employees, agents, or representatives, and Andrew Hsu, with a last known address of 26671 Sierra Vista, Mission Viejo, CA 96292, and when acting for or on his behalf, his successors, assigns, employees, agents, or representatives (each as "Denied Person" and collectively the "Denied Persons") 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.

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

- A. Export or reexport to or on behalf of a Denied Person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by a 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 a 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 a Denied Person of any item subject to the Regulations that has been exported from the United States;
- D. Obtain from a 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 a Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by a 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, in addition to the Related Person named above, after notice and opportunity for comment as provided in section 766.23 of the Regulations, any other individual, firm, corporation, or other association or organization or other person related to a 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 if necessary to prevent evasion of this Order.

Fourth, in accordance with Part 756 and Section 766.25(g) of the Regulations, Maple Pacific may file an appeal of the issuance of this Order against it with the Under Secretary of Commerce for Industry and Security. The appeal must be filed within 45

days from the date of this Order and must comply with the provisions of Part 756 of the Regulations.

Fifth, in accordance with Part 756 and Section 766.23(c) of the Regulations, Hsu may file an appeal of naming him as a related person in this Order with the Under Secretary of Commerce for Industry and Security. This appeal must be filed within 45 days from the date of this Order and must comply with the provisions of Part 756 of the Regulations.

Sixth, a copy of this Order shall be provided to Maple Pacific and Hsu and shall be published in the *Federal Register*.

Seventh, this Order is effectively immediately and shall remain in effect until February 6, 2022.

Issued this 5th day of February, 2015.

Thomas Andrukonis,
Acting Director,
Office of Exporter Services.

[FR Doc. 2015-02912 Filed 02/11/2015 at 8:45 am; Publication Date: 02/12/2015]