

Following BXA's motion, the ALJ issued a Recommended Decision and Order in which he found the facts to be as alleged in the charging letter, and concluded that those facts constitute one violation of Section 787.3(b) (redesignated as Section 787A.3(b) March 25, 1996); 32 violations of Section 787.4(a); five violations of Section 787A.4(a); 32 violations of Section 787.5(a); five violations of Section 787A.5(a); violations of Section 787.6, and five violations of Section 787A.6, for a total of 112 violations of the former Regulations by Export Materials, as BXA alleged. The ALJ also agreed with BXA's recommendation that the appropriate penalty to be imposed for that violation is a denial, for a period of 20 years, of all of Export Materials's export privileges. As provided by Section 766.22 of the Regulations, the Recommended Decision and Order has been referred to me for final action.

Based on my review of the entire record, I affirm the findings of fact and conclusions of law in the Recommended Decision and Order of the ALJ.

Accordingly, it is therefore ordered,

First, that, for a period of 20 years from the date of this Order, Export Materials Inc., 3727 Greenbrier Drive, No. 108, Stafford, Texas 77477, and all of its successors or assigns, officers, representatives, agents, and employees when acting for or on behalf of Export Materials 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. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

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

A. Export or reexport to or on behalf of the denied person any item subject to the Regulations;

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

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the denied person of any item subject to the Regulations that has been exported from the United States;

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

Third, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to 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 this Order.

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

Fifth, that this Order shall be served on Export Materials and on BXA, and shall be published in the **Federal Register**.

This Order, which constitutes the final agency action in this matter, is effective immediately.

Dated: July 12, 1999.

William A. Reinsch,

Under Secretary for Export Administration.

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DEPARTMENT OF COMMERCE

Bureau of Export Administration

[Docket No. 98-BXA-08]

Action Affecting Export Privileges; Nancy Ann Harvey; Decision and Order

In the Matter of: Nancy Ann Harvey, 4542 Indian Earth Court NE, Salem, Oregon 97305, Respondent.

On August 3, 1998, the Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), issued a charging letter initiating an administrative proceeding against Nancy Ann Harvey (formerly known as Nancy Ann Mahler (nee Reamer)) (Harvey). The charging letter alleged that Harvey committed three violations of the Export Administration Regulations (currently codified at 15 CFR Parts 730-774 (1999) (the Regulations)),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the Act).²

Specifically, the charging letter alleged that, on or about August 4, 1993, Harvey exported U.S.-origin shotguns (with barrel lengths of 18 inches and over) and shotgun shells to the Republic of South Africa, concealing them in a 40 foot container and representing on a bill of lading that the items in the container were "used household goods and personal effect," without obtaining from BXA the validated export license Harvey knew or had reasons to know was required by Section 772.1(b) of the former Regulations. BXA alleged that, by exporting U.S.-origin commodities to any person or to any destination in violation or contrary to the provisions of the Act or any regulation, order or

¹ The violations at issue occurred in 1993. The Regulations governing those violations are found in the 1993 version of the Code of Federal Regulations (15 CFR Parts 768-799 (1993)) and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to his matter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 CFR 1994 Comp. 917 (1995)), extended by Presidential Notice of August 15, 1995 (3 CFR, 1995 Comp. 501 (1996)) August 14, 1996 (3 CFR, 1996 Comp. 298 (1997)), August 13, 1997 (3 CFR, 1997 Comp. 306 (1998)) and August 13, 1998 (CFR, 1998 Comp. 294 (1999)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).

license issued thereunder, Harvey violated Section 787.6 of the former Regulations. BXA also alleged that, by selling, transferring, or forwarding commodities export or to be exported from the United States with knowledge of reason to know that a violation of the Act, or any regulation, order or license issued thereunder occurred, was about to occur, or was intended to occur with respect to the shipment, Harvey violated Section 787.4(a) of the former Regulations.

Further, the charging letter alleged that, in connection with the August 4, 1993 transaction, Harvey represented on a bill of lading, an export control document as defined in Section 770.2 of the former Regulations, that the container that she was shipping to the Republic of South Africa held "used household goods and personal effects." In fact, the container also held shotguns (with barrel lengths of 18 inches and over) and shotgun shells that she had concealed among the household items. BXA alleged that, by making false or misleading representations of material fact directly or indirectly to a United States government agency in connection with the preparation, submitted or use of an export control document, Harvey violated Section 787.5(a) of the former Regulations.

BXA presented evidence that Harvey received the charging letter but failed to answer the charging letter, as required by Section 766.7 of the Regulations, and is therefore in default. Thus pursuant to Section 766.7 of the Regulations, BXA moved that the Administrative Law Judge (hereinafter the ALJ) find he facts to be alleged in the charging letter and render a Recommended Decision and Order.

Following BXA's motion, the ALJ issued a Recommended Decision and Order in which he found the facts to be as alleged in the charging letter, and concluded that those facts constituted three violations of the former Regulations by Harvey, as BXA alleged. The ALJ also agreed with BXA's recommendation that the appropriate penalty to be imposed for those violations is a denial, for a period of three years, of all of Harvey's export privileges. As provided by Section 766.22 of The Regulations, the Recommended Decision and Order has been referred to me for final action.

Based on my review of the entire record, I affirm the findings of fact and conclusions of law in the Recommended Decision and Order of the ALJ.

Accordingly, it is therefore ordered,

First, that, for a period of three years from the date of this Order, Nancy Ann Harvey, 4542 Indian Earth Court NE,

Salem, Oregon, 97305, 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 subjects 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. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

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

A. Export or reexport to or on behalf of the denied person any item subject to the Regulations;

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

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the denied person of any item subject to the Regulations that has been exported from the United States;

D. Obtain from the denied person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or

E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and that 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 uses of any item subject to the Regulations that has been or will be exported from the United

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

Third, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to 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 provision of this Order.

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

Fifth, that this Order shall be served on Harvey and on BXA, and shall be published in the **Federal Register**.

This Order, which constitutes the final agency action in this matter, is effectively immediately.

Dated: July 12, 1999.

William A. Reinsch,

Under Secretary for Export Administration.

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DEPARTMENT OF COMMERCE

Bureau of Export Administration

Order Denying Permission To Apply For or Use Export Licenses

Action Affecting Export Privileges: Theresa Marie Squillacote, also known as Tina, Mary Teresa Miller, Schwan, The Swan, Margaret, Margrit, Margret, Margrit, Lisa Martin Resi, Anne.

In the Matter of: Theresa Marie Squillacote, also known as Tina, Mary Teresa Miller, Schwan, The Swan, Margaret, Margrit, Margret, Margrit, Lisa Martin, Resi, Anne; currently incarcerated at: Federal Correctional Institution, Register #422-90-083, 501 Capital Circle, NE, Tallahassee, Florida 32301; and with an address at: 3809 13th Street, N.E., Washington, D.C. 20017.

On January 22, 1999, Theresa Marie Squillacote, also known as Tina, Mary Teresa Miller, Schwan, The Swan, Margaret, Margrit, Margaret, Margrit, Lisa Martin, Resi, and Anne (Squillacote), was convicted in the United States District Court for the Eastern District of Virginia of violating Sections 793(b) and 794(a) and (c) of the Espionage Act (18 U.S.C.A. 792-799 (1976 & Supp. 1999)). Specifically, Squillacote was convicted of: (1) unlawfully and knowingly combining, conspiring, conferring and agreeing with other persons, both known and unknown, to knowingly and