

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

**Action Affecting Export Privileges;
Petrom GmbH International Trade and
Koto Comercio Iberica, S.L.; Order
Making Order Denying Export
Privileges of Petrom GmbH
International Trade Applicable to
Related Person Koto Comercio
Iberica, S.L.**

In the Matter of: Petrom GmbH International Trade, Maria-Theresia Strasse 26, Munich 81675, Germany, Respondent, and Koto Comercio Iberica, S.L., c/ Valderrodrigo no. 55, Madrid, Spain, c/o Majid Rahmanifar, Moehlstrasse 31, Munich 81675, Germany, Related Person.

Pursuant to section 766.23 of the Export Administration Regulations (the "Regulations"), the Bureau of Industry and Security ("BIS"), U.S. Department of Commerce, through its Office of Export Enforcement ("OEE"), has requested that I make the Denial Order that was imposed against Petrom GmbH International Trade ("Petrom GmbH") on June 6, 2005 (70 FR 32743) applicable to the following entity (hereinafter, the "Related Person"), as a person related to Petrom GmbH: Koto Comercio Iberica, S.L., c/ Valderrodrigo no. 55, Madrid, Spain, c/o Majid Rahmanifar, Moehlstrasse 31, Munich 81675, Germany.

Section 766.23 of the Regulations provides that "[i]n order to prevent evasion, certain types of orders under this part may be applicable not only to the respondent, but also to other persons then or thereafter related to the respondent by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business. Orders that may be made applicable to related persons include those that deny or affect export privileges. * * *" 15 CFR 766.23(a).

On June 6, 2005, an Order pursuant to Part 766 of the EAR imposing a twenty-year denial of export privileges against Petrom GmbH International Trade, Maria-Theresia Strasse 26, Munich 81675, Germany (a.k.a. Petrom GmbH) was published in the **Federal Register** to conclude administrative charges pending against Petrom GmbH. See 70 FR 32473 (June 6, 2005). Petrom GmbH was found to have conspired and acted in concert with others, known and unknown, to bring about acts that constitute violations of the Regulations by arranging the export from the United States to Iran via Germany of items subject to the Regulations and the Iranian Transactions Regulations without the required U.S. government authorizations and to have solicited on

six separate occasions violations of the Regulations by ordering the shipment of the items at issue from the United States to Iran via Germany. Furthermore, in making each of these six unlawful solicitations, Petrom GmbH acted with knowledge that a violation of the Regulations was intended to occur, as Iran was the intended ultimate destination of the items. All violations occurred from on or about March 1999 to on or about May 2000.

This Order is an order that may be made applicable to related persons pursuant to section 766.23 upon evidence that indicates that the Related Person is related to Petrom GmbH by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business, and that it is necessary to add this entity to the Denial Order imposed against Petrom GmbH in order to avoid evasion of that Order. It is my belief that Koto is related to Petrom GmbH "by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business." The determination is based on evidence establishing that Majid Rahmanifar is the sole owner of Petrom GmbH and Koto. As such, he oversees all activities of both companies. Rahmanifar holds all nominal capital related to Petrom GmbH, which was formerly located at his home.

BIS notified the Related Person of its plans to take this action on November 20, 2006 in accordance with sections 766.5(b) and 766.23 of the Regulations. Specifically, BIS provided notice to the last known address of the Related Party in Spain in January 2006, which was returned to BIS unopened. On November 20, 2006, BIS then provided notice to Majid Rahmanifar, an individual in Germany believed to be associated with the Related Person. The letter requested a response within 30 days. Rahmanifar signed for the letter, thereby indicating that he received it. No response, however, was ever returned to BIS by the Related Person or any individual associated with the Related Person.

It is my belief that Koto is related to Petrom GmbH "by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business" and that it is necessary to make the Order imposed against Petrom GmbH applicable to the Related Person to prevent the evasion of that Order.

It is now Therefore ordered,

First, that having been provided notice and opportunity for comment as provided in section 766.23 of the Regulations, Koto Comercio Iberica, S.L., c/Valderrodrigo no. 55, Madrid,

Spain and c/o Moehlstrasse 31, Munich 81675, Germany ("Related Person") has been determined to be related to Petrom GmbH International Trade, Maria-Theresia Strasse 26, Munich 81675, Germany (a.k.a. Petrom GmbH) by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services, and it has been deemed necessary to make the Order denying the export privileges of Petrom GmbH applicable to this Related Person in order to prevent evasion of the Order:

Second, that the denial of export privileges described in the Order against Petrom GmbH, which was published in the **Federal Register** on June 6, 2005 at 70 FR 32,743, shall be made applicable to the Related Person until its expiration on June 6, 2025, as follows:

I. The Related Person, its successors or assigns, and when acting for or on behalf of the Related Person, its officers, representatives, agents, or employees (collectively, "Denied Person") may not participate, directly or indirectly, 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.

II. 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 271 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.

Third, that in accordance with the provisions of Section 766.23(c) of the Regulations, the Related Person may, at any time, make an appeal related to this Order by filing a full written statement in support of the appeal with the Office of the Administrative Law Judge, U.S. Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202-4022.

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 published in the **Federal Register** and a copy provided to the Related Person.

This Order is effective upon publication in the **Federal Register**.

Entered this 5th day of February, 2007.

Darryl W. Jackson,

Assistant Secretary of Commerce for Export Enforcement.

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DEPARTMENT OF COMMERCE

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Action Affecting Export Privileges; Petrom GmbH International Trade and Petrom Internacional Trade, S.L., Order Making Order Denying Export Privileges of Petrom GmbH International Trade Applicable to Related Person Petrom Internacional Trade, S.L.

In the Matter of: Petrom GmbH International Trade, Maria-Theresia Strasse 26, Munich 81675, Germany, Respondent, and Petrom Internacional Trade, S.L., PL. De Verin 2, 28029 Madrid, Spain, c/o Majid Rahmanifar, Moehlstrasse 31, Munich 81675, Germany, Related Person.

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Section 766.23 of the Regulations provides that “[i]n order to prevent evasion, certain types of orders under this part may be made applicable not only to the respondent, but also to other persons then or thereafter related to the respondent by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business. Orders that may be made applicable to related persons include those that deny or affect export privileges * * *.” 15 CFR 766.23(a).

On June 6, 2005, an Order pursuant to Part 766 of the Regulations imposing a twenty-year denial of export privileges against Petrom GmbH International Trade, Maria-Theresia Strasse 26, Munich 81675, Germany (a.k.a. Petrom GmbH) was published in the **Federal Register** to conclude administrative charges pending against Petrom GmbH See 70 FR 32473 (June 6, 2005). Petrom GmbH was found to have conspired and acted in concert with others known and unknown, to bring about acts that constitute violations of the Regulations by arranging export from the United States to Iran via Germany of items subject to the Regulations and the Iranian Transactions Regulations

without the required U.S. government authorizations and to have solicited on six separate occasions violations of the Regulations by ordering the shipment of the items at issue from the United States to Iran via Germany. Furthermore, in making each of these six unlawful solicitations, Petrom GmbH acted with knowledge that a violation of the Regulations was intended to occur, as Iran was the intended ultimate destination of the items. All violations occurred from on or about March 1999 and May 2000.

This Order is an order that may be made applicable to related persons pursuant to section 766.23 upon evidence that indicates that the Related Person is related to Petrom GmbH by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business, and that it is necessary to add this entity to the Denial Order imposed against Petrom GmbH in order to avoid evasion of that Order. It is my belief that Petrom, S.L. is related to Petrom GmbH “by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business.” The determination is based on evidence establishing that Majid Rahmanifar is the sole owner of Petrom GmbH and Petrom, S.L. As such, he oversees all activities of both companies. Rahmanifar holds all nominal capital related to Petrom GmbH, which was formerly located at his home.

BIS notified the Related Person of its plans to take this action on November 20, 2006 in accordance with sections 766.5(b) and 766.23 of the Regulations. Specifically, BIS provided notice to the last known address of the Related Party in Spain in January 2006, which was returned to BIS unopened. On November 20, 2006, BIS then provided notice to Majid Rahmanifar, an individual in Germany believed to be associated with the Related Person. The letter requested a response within 30 days. Rahmanifar signed for the letter, thereby indicating that he received it. No response, however, was ever returned to BIS by the Related Person or any individual associated with the Related Person.

Based upon the foregoing, it is my belief that Petrom, S.L. is related to Petrom GmbH “by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business” and that it is necessary to make the Order imposed against Petrom GmbH applicable to the Related Person to prevent the evasion of that Order.

It is now therefore ordered,