

**DEPARTMENT OF COMMERCE****Bureau of Industry and Security****Harold Hanson; Order Relating to Harold Hanson**

In the Matter of: Harold Hanson, 4280 Wheeled Caisson Square, Fairfax, Virginia 22033; Respondent

**Order Relating to Harold Hanson**

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has notified Harold Hanson, of Fairfax, Virginia ("Hanson"), of its intention to initiate an administrative proceeding against Hanson pursuant to Section 766.3 of the Export Administration Regulations (the "Regulations"),<sup>1</sup> and Section 13(c) of the Export Administration Act of 1979, as amended (the "Act"),<sup>2</sup> through the issuance of a Proposed Charging Letter to Hanson that alleges that Hanson committed one violation of the Regulations. Specifically, the charge is:

**Charge 1 15 CFR 764.2(g): Misrepresentation and Concealment of Facts in the Course of an Investigation**

On or about January 29, 2009, Hanson made false or misleading statements to the U.S. Government in the course of an investigation. Specifically, in relation to an investigation of unlicensed exports to the People's Republic of China ("China") of 20 autopilots, items subject to the Regulations, and valued at approximately \$90,340, during an interview with a BIS special agent and an FBI special agent on or about January 29, 2009, Hanson represented that he did not provide the Canadian seller, with an end use for the autopilots. These statements were false or misleading because Hanson actually had provided the seller with a stated end use in his email communications with the company, stating that the autopilots would be used for research projects to record thunderstorm and tornado development in the Great Plains. The items were, in fact, intended for export

<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 CFR parts 730–774 (2013). The charged violation occurred in 2009. The Regulations governing the violations at issue are found in the 2009 version of the Code of Federal Regulations (15 CFR parts 730–774). The 2013 Regulations set forth the procedures that apply to this matter.

<sup>2</sup> 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 CFR, 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 15, 2012 (77 FR 49699 (Aug. 16, 2012)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701, *et seq.*) (2006 & Supp. IV 2010).

to China and subsequently were exported from the United States to China.

In so doing, Hanson committed one violation of Section 764.2(g) of the Regulations.

*Whereas*, BIS and Hanson 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, that for a period of fifteen (15) years from the date of this Order, Hanson, with a last known address of 4280 Wheeled Caisson Square, Fairfax, Virginia 22033, and when acting for or on his behalf, his successors, assigns, representatives, agents, or employees (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 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, 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 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, 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 the Order.

Fourth, Hanson shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Proposed Charging Letter or the Order. The foregoing does not affect Hanson's testimonial obligations in any proceeding, nor does it affect its right to take legal or factual positions in civil litigation or other civil proceedings in which the U.S. Department of Commerce is not a party.

Fifth, that the Proposed Charging Letter, the Settlement Agreement, and this Order shall be made available to the public.

Sixth, that this Order shall be served on Hanson, and shall be published in the **Federal Register**.

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

Issued this 16th day of July, 2013.

**David W. Mills,**

*Assistant Secretary of Commerce for Export Enforcement.*

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