

(b) the accuracy of the agency's estimate of the burden of the proposed collection of information including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, through the use of appropriate automated, electronic, mechanical, technological or other forms of information technology collection methods.

All responses to this notice will become a matter of public record and be summarized in the request for OMB approval.

Signed at Washington, DC, January 08, 2020.

Kevin L. Barnes,
Associate Administrator.

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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

Order Temporarily Denying Export Privileges

Muhammad Kamran Wali, 1st Floor, Jahanzeb Center, Bank Road, Saddar, Rawalpindi, Pakistan
 Muhammad Ahsan Wali, 4453 Weeping Willow Drive, Mississauga, Ontario, Canada
 Haji Wali Muhammad Sheikh, 4453 Weeping Willow Drive, Mississauga, Ontario, Canada
 Ahmed Waheed, 143 Wards Road, Ilford, Essex, United Kingdom
 Ashraf Khan Muhammad, M/F 20 Pei Ho Street, Sham Shui Po, Kowloon, Hong Kong
 Business World, 1st Floor, Jahanzeb Center, Bank Road, Saddar, Rawalpindi, Pakistan
 Business World, 4453 Weeping Willow Drive, Mississauga, Ontario, Canada
 Business World, 2nd Floor, Kau On Building, 251-253 Cheung Shaw Wan Road, Kowloon, Hong Kong
 Industria Hong Kong Ltd, d/b/a Transcool Auto Air Conditioning Products, d/b/a Electro-Power Solutions, 2nd Floor, Kau On Building, 251-253 Cheung Shaw Wan Road, Kowloon, Hong Kong
 Product Engineering, Unit 10, Chowk Gowalmandi, Daryabad, Gowalmandi, Rawalpindi, Punjab, Pakistan

I. Introduction and Background on the Parties

Pursuant to Section 766.24 of the Export Administration Regulations (the "Regulations" or "EAR"),¹ the Bureau of

¹ The Regulations, currently codified at 15 CFR parts 730-774 (2019), originally issued pursuant to the Export Administration Act (50 U.S.C. 4601-4623 (Supp. III 2015) ("EAA"), which lapsed on

Industry and Security ("BIS"), U.S. Department of Commerce, through its Office of Export Enforcement ("OEE"), has requested that I issue an order temporarily denying, for a period of 180 days, the export privileges of Muhammad Kamran Wali, Muhammad Ahsan Wali, Haji Wali Muhammad Sheikh, Ahmed Waheed, Ashraf Khan Muhammad, Business World (of Pakistan), Business World (of Canada), Business World (of Hong Kong), and Industria Hong Kong Ltd, d/b/a Transcool Auto Air Conditioning Products, d/b/a Electro-Power Solutions (collectively, "Respondents" and when only referring to natural persons "individual Respondents"). OEE also has requested, pursuant to Sections 766.23 and 766.24 of the Regulations, that this order ("the TDO") be applied to Product Engineering as a related person.

OEE has presented evidence that the Respondents have been operating an international procurement scheme to illegally obtain U.S.-origin items on behalf of two entities involved in nuclear and missile proliferation activities, the Pakistan Atomic Energy Commission ("PAEC") and Pakistan's Advanced Engineering Research Organization ("AERO"), without the required BIS licenses. The PAEC and AERO have been on BIS's Entity List since November 1998, and September 2014, respectively, and a license is required for all items subject to the EAR for export, reexport or in-country transfer to the PAEC or AERO.²

August 21, 2001. The President, through Executive Order 13222 of August 17, 2001 (3 CFR 2001 Comp. 783 (2002)), as extended by successive Presidential Notices, continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701, *et seq.* (2012)) ("IEEPA"). 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 EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all orders, rules, regulations, and other forms of administrative action that were made or issued under the EAA, including as continued in effect pursuant to 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. Moreover, Section 1761(a)(5) of ECRA authorizes the issuance of temporary denial orders.

² The PAEC was originally added to the BIS Entity List, along with a number of other Pakistani government (and parastatal and private) entities involved in nuclear or missile activities, on November 19, 1998, shortly after Pakistan detonated a nuclear device. 63 FR 64322. Its current listing has remained unchanged since September 18, 2014. 15 CFR part 744, Supplement No. 4. All items subject to the EAR require a BIS license for export, reexport or in-country transfer to the PAEC. *Id.*

Beginning in or around at least September 2014, the individual Respondents involved in the procurement scheme have used entities that they own, operate or control to undertake efforts to obtain U.S.-origin items, either directly or through transshipment via third countries, while masking that the items were intended for the PAEC and later for AERO. OEE's evidence indicates that members of the scheme concealed the fact that the PAEC and AERO were the true end users, including at times falsely identifying other entities in Pakistan as the end users, thereby causing unlicensed exports and the filing of false or misleading Electronic Export Information ("EEI") in the Automated Export System ("AES"). In addition, these individual Respondents have regularly used the names of other companies or intermediaries on shipping documents, or had such entities pay for the U.S.-origin items through a third country, to further conceal the identity of the true end users from U.S. manufacturers and suppliers and U.S. law enforcement authorities. No BIS licenses were sought or obtained for any of the exports identified by OEE and described below.

Respondent Haji Wali Muhammad Sheikh, his sons Muhammad Kamran Wali and Muhammad Ahsan Wali, and business associates Ashraf Khan Muhammad and Ahmed Waheed, have each been charged with conspiracy to violate the International Emergency Economic Powers Act and conspiracy to violate the Export Control Reform Act of 2018 in an indictment returned in the U.S. District Court for the District of New Hampshire, which is being unsealed in conjunction with the issuance of this TDO. The Respondent-Defendants in that criminal case remain at large. Additionally, OEE's ongoing investigation of the Respondents shows that they continue to seek similar U.S.-origin items as recently as September 2019, underscoring OEE's concern that absent the issuance of a TDO, Respondents will continue to divert items to prohibited end users such as the PAEC and AERO. A review of EEI

AERO was originally added to the entity list on September 18, 2014. 79 FR 56003 (Sept. 18, 2014) (listing AERO on the Entity List for involvement in the procurement of sensitive U.S. technology in support of Pakistan's development of its missile and strategic unmanned aerial vehicle (UAV) programs). The listing was most recently revised on January 26, 2018. 83 FR 3580 (adding an alias and two additional addresses to the entry for AERO). 15 CFR part 744, Supplement No. 4. All items subject to the EAR require a BIS license for export, reexport or in-country transfer to AERO, and licenses are subject to a presumption of denial. *Id.*, see also 15 CFR 744.11.

indicates that members of the scheme have obtained U.S.-origin items as recently as November 2019.

Named Individual Respondents and Related Entities

Set out below is an overview of the individual Respondents involved in the procurement scheme, their personal and business relationships with each other, and the entities and email accounts that they controlled and used in their efforts to unlawfully obtain U.S.-origin items for the PAEC and AERO.

Muhammad Kamran Wali (“Kamran”) is believed to be a citizen and resident of Pakistan. He is the owner of Business World, located in Rawalpindi, Pakistan (“Business World Pakistan”), which is believed to be related to or have business affiliations with Product Engineering. Kamran is the son of Respondent Haji Wali Muhammad Sheikh and the brother of Respondent Muhammad Ahsan Wali, discussed below. Typically, Kamran or Business World Pakistan received the underlying tender inquiry or other order from the PAEC or AERO. Kamran is believed to control and use the email addresses *buzinessworld@gmail.com* and *kamran@buzinessworld.com*, through which he communicates with both U.S. companies and procurement offices of the PAEC and AERO.

Muhammad Ahsan Wali (“Ahsan”) is believed to be a citizen and resident of Mississauga, Ontario, Canada. He is also believed to be a citizen of Pakistan. He is the son of Haji Wali Muhammad Sheikh and the brother of Respondent Kamran. Ahsan and his father Haji Wali Muhammad Sheikh are believed to control and use the email address *bzworld@hotmail.com*. Ahsan assisted in paying for exports from the United States and at least in one instance used a credit card in his name to pay for an order of U.S.-origin items.

Haji Wali Muhammad Sheikh (“Haji”) is a resident of Canada and a citizen of Pakistan. Haji is the owner of the Business World, located in Canada (“Business World Canada”). Respondents Kamran and Ahsan are his sons. Haji and his son Ahsan are believed to control and use the email address *bzworld@hotmail.com*. Business World Canada often appears as the payee in transactions and is at times listed as the shipper from the United States, even if it is not otherwise involved in the export.

Ashraf Khan Muhammad (“Khan”) is a resident of Hong Kong. His nationality is not known. He identifies himself as the owner of Business World, located in Hong Kong (“Business World Hong Kong”), and the corporate secretary of

Industria Hong Kong Limited (“Industria Hong Kong”). Another company called Transcool Auto Air Conditioning Products of Hong Kong identifies as a branch of Business World Hong Kong. Khan is believed to control and use several email addresses, including *shakeelraza77@gmail.com* and *businessworldhk@hotmail.com*. He is a business associate of Kamran discussed above and Ahmed Waheed of Ilford, UK.

Ahmed Waheed (“Waheed”) is a resident of Ilford, England. He is a United Kingdom citizen. He was the owner of Business International GB Ltd of the United Kingdom, which is now dissolved. He is also the owner of Industria Hong Kong. Waheed is believed to control the email address *buzinessintl@gmail.com*. He is a business associate of Khan of Hong Kong, who also has interests in Industria Hong Kong.

II. Legal Standard

Pursuant to Section 766.24 of the Regulations, BIS may issue, on an *ex parte* basis, an order temporarily denying a respondent’s export privileges upon a showing that the order is necessary in the public interest to prevent an “imminent violation” of the Regulations. 15 CFR 766.24(a)–(b). “A violation may be ‘imminent’ either in time or degree of likelihood.” 15 CFR 766.24(b)(3). BIS may show “either that a violation is about to occur, or that the general circumstances of the matter under investigation or case under criminal or administrative charges demonstrate a likelihood of future violations.” *Id.* As to the likelihood of future violations, BIS may show that the violation under investigation or charge “is significant, deliberate, covert and/or likely to occur again, rather than technical or negligent[.]” *Id.* A “[l]ack of information establishing the precise time a violation may occur does not preclude a finding that a violation is imminent, so long as there is sufficient reason to believe the likelihood of a violation.” *Id.*

Pursuant to Sections 766.23 and 766.24, a TDO also may be made applicable to other persons if BIS has reason to believe that they are related to a respondent and that applying the order to them is necessary to prevent its evasion. 15 CFR 766.23(a)–(b) and 766.24(c). A “related person” is a person, either at the time of the TDO’s issuance or thereafter, who is related to a respondent “by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business.” 15 CFR 766.23(a).

III. Respondents Are Engaged in a Longstanding Conspiracy To Procure U.S.-Origin Items for the PAEC and AERO

OEE has presented evidence to show that the individual Respondents identified above used a series of entities to surreptitiously obtain U.S.-origin items on behalf of prohibited parties the PAEC and AERO without the required export licenses. As uncovered in this investigation, Kamran or Business World Pakistan received purchase orders or tender inquiries from the PAEC and AERO, and he or Business World Pakistan would either seek to obtain these items from U.S. suppliers, or engage other members of the procurement scheme to obtain the items either directly or through intermediary entities. The Respondents used a series of aliases and alternative shipping addresses to avoid detection by law enforcement and having the shipment flagged or questioned by the freight forwarder’s export compliance program. The investigation uncovered a number of shipments using a similar pattern, though using slightly different entities or routes so as to escape suspicion and detection. The examples, as outlined in detail below, establish reasonable cause to believe that, despite the indictment, the Respondents will continue to operate this well-established and durable international procurement network for the PAEC and AERO absent action by this order.

A. Recent Transactions

Through its investigation, OEE has developed reasonable cause to believe that the Respondents and other members of the procurement network continue to obtain U.S.-origin items from U.S. companies in violation of U.S. law. Further, because the procurement channels change to avoid detection, a PAEC or AERO order may take several months for the procurement network to fulfill from a given U.S. company and even longer to ultimately reach the prohibited end users. Accordingly, the issuance of this TDO is necessary to stop transactions-in-progress and prevent U.S.-origin items from reaching prohibited end users. Moreover, the scheme is ongoing as OEE’s investigation has uncovered that the Respondents continued to obtain items in 2018 as detailed below and have initiated the process to obtain additional U.S.-origin items in late 2019.

1. Company A Transaction

Company A is a manufacturer located in the United States. OEE’s investigation indicates that from in or around January

2018 through in or around July 2018, Kamran of Business World Pakistan ordered U.S.-origin items for the PAEC's Heavy Mechanical Complex-3 ("HMC-3"). The evidence also establishes that Kamran continues to solicit U.S.-origin items for the same customer. Kamran made false statements in a purchase order, claiming that the items were intended for end use by MRI fielded rooms in various hospitals in Pakistan through a manufacturer named "Precision Engineering Services" in Islamabad, Pakistan. In fact, evidence indicates that the items were actually intended for end use by the PAEC.

Specifically, email correspondence dated February 7, 2018, reflects that Business World Pakistan (through email address *buzinessworld@gmail.com*) had received a tender order from HMC-3, which, according to the PAEC's website, is actually the PAEC's "in house design, manufacturing, inspection, testing facilities." The tender order requested several items specifically manufactured by Company A. These were the same items that Business World Pakistan had sought in its purchase order to Company A on or about January 8, 2018, and had represented were for a hospital rather than a PAEC facility.

On or about April 19, 2018, Kamran of Business World Pakistan placed an order with Company A for the same items in the HMC-3 request. On or about April 20, 2018, Kamran of Business World Pakistan forwarded to Haji in Canada copies of the Company A's pro forma invoices and payment instructions.

About a week later, Haji in Canada made a wire transfer payment to Company A in the United States for \$26,266 for the order with the HMC-3 items. The funds came from Business World Canada's account connected with Haji. When asked by Company A to explain the relationship between Business World Canada and Business World Pakistan, Kamran described the funds as coming from a "proprietary" account and the "funds transfer have been made by them as a favour as we had returned money to customer and it will be repaid against delivery to us which we will settle with Business World Canada later."

Business World Pakistan arranged for shipping from Company A, though the freight forwarder collecting the shipment from Company A listed the shipper as "Business World Canada." Shipping records indicate that the items were sent from the United States to Pakistan in or about June 2018. Based on BIS's investigation, BIS has reasonable cause to believe that the

U.S.-origin items were intended for the PAEC.

2. Company B Transaction

Company B is a manufacturer located in the United States. From at least in or around 2017 through in or around 2018, Kamran and others at Business World Pakistan contacted Company B to obtain U.S.-origin industrial safety equipment that BIS has reasonable cause to believe was intended for the Chasma Nuclear Power Project of the PAEC. These items included Foreign Material Exclusion or "FME" placards. The payments for these items were facilitated through middle parties, and the shipper was listed as Business World Canada, even though the order was exported directly from the United States to Pakistan.

On or about June 7, 2018, Kamran of Business World Pakistan contacted Company B regarding the delivery status of parts for its existing order of FME placards. The Company B representative responded the same day indicating that the company was still waiting for the delivery of parts.

Around the same time, Kamran of Business World Pakistan was also in contact with freight forwarder Airways Freight Pakistan to pick up the shipment from Company B's facilities in New Hampshire. In an email dated on or about June 21, 2018, Kamran provided his freight forwarder with contact information for the Company B representative. The freight forwarder subsequently provided a booking reference that identified the shipment as bound for Karachi with the shipper identified as Company B and the consignee as "Business World" Pakistan. The booking reference identified the commodity as "safety tarps and supplies" and the subject line included a reference to "FMEZ." In response to this email from the freight forwarder with the booking reference, Kamran of Business World Pakistan requested that the shipper be changed from Company B to Business World Canada.

In an email dated August 2, 2018, a Business World Pakistan representative, who had been copied on the email to the freight forwarder, notified the procurement manager of the PAEC's Chasma Nuclear Power Project of delivery delays related to its purchase order and sought an extension of delivery time until August 31, 2018. Business World Pakistan attached to its email the bill of lading from its freight forwarder and referenced the same bill of lading as the one identified for Business World Pakistan's shipment from Company B. Business World Pakistan had sent its email to

procnp3@gmail.com, which is believed to be an email associated with the procurement arm of the Chasma Nuclear Power Project-3.

B. Historical Transactions

OEE's investigation revealed that the Respondents have, over a period of years, been engaged in a flexible procurement scheme in order to illegally route U.S.-origin items to Pakistan. OEE identified a number of prior export transactions where the Respondents' procurement network obscured the originator of the transaction by incorporating middle parties and alternative entities and destinations. OEE has demonstrated that the Respondents should be included in this TDO to prevent further diversion of U.S.-origin items to the prohibited parties the PAEC and AERO.

1. Unlicensed Export to AERO From Company C and Ties to Waheed and Hong Kong Company Transcool

Company C is a manufacturer located in the United States. On or about October 4, 2016, Company C of State College, Pennsylvania, sold electronics valued at \$4,370 to a company in Beckley, West Virginia. These items were later transshipped through Hong Kong for ultimate export to AERO in Pakistan in fulfillment of a purchase order request made through Kamran of Business World Pakistan and routed through entities in the United Kingdom, United States, Hong Kong and ultimately Pakistan.

OEE's investigation uncovered that *buzinessworld@gmail.com*, an email account owned and controlled by Kamran of Business World Pakistan, received an AERO tender inquiry dated July 24, 2015, for items manufactured by Company C. In a purchase order dated March 10, 2016, Business World Pakistan requested the same items of Business International UK, a company that was owned and controlled by Waheed. Business International UK sent an invoice acknowledging the sales order on or about March 15, 2016. Thereafter, a company in the United States in Beckley, West Virginia, contacted Company C regarding obtaining the same items.

Although Business International UK requested the order and the items were ultimately exported via Hong Kong to Pakistan, the company in Beckley, West Virginia, was listed as the "sold to" and "ship to" party, and at this time BIS does not have evidence indicating that the company in Beckley, West Virginia, which is now dissolved, disclosed that the items were for export. OEE's investigation uncovered that the

shipment was sent to a freight forwarder in Hong Kong and a related invoice for the Company C items listed “Transcool Auto Air Conditioning Products” as the recipient at the same address as Business World Hong Kong and Industria Hong Kong. An invoice dated December 2, 2016, from Kamran of Business World Pakistan (using email address *businessworld.proc1@gmail.com*) to “Khan” at Business World Hong Kong (received at email address *businessworldhk@hotmail*), with a carbon copy to Waheed (to email address *buzinessintl@gmail.com*) included an invoice with the exact same Company C items in product code and quantity and in exactly the same order as in the AERO request. Based on these facts, BIS has reasonable cause to believe that the Respondents engaged in a scheme to transship items that were ultimately intended for delivery to AERO in Pakistan.

2. Unlicensed Exports to AERO From Company D and Ties to Business World Hong Kong, Business World Canada and Product Engineering in Pakistan

Company D is an electronics parts supplier located in the United States. A series of exports by Company D of Casselberry, Florida, highlight the variety of entities and transshipment routes used to export U.S.-origin items to AERO. Throughout 2016 and 2017, the procurement network used entities in Pakistan, Canada, and Hong Kong to fulfill orders for AERO. Company D identified several shipments to Business World entities in this time frame, and OEE’s investigation uncovered the items were connected to purchase orders or other requests from either the PAEC or AERO. Examples of these transactions include:

- On or about March 5, 2016, Company D exported capacitors to Business World Hong Kong, with Business World Hong Kong listed on the invoice as the “bill to” and “ship to” party. Emails from Business World Hong Kong included those signed by “M.A. Khan.” OEE has reason to believe that this is the same Khan identified above in the list of Respondents. OEE’s investigation identified an AERO tender dated July 2, 2015, and sent to *buzinessworld@gmail.com*, an email address believed to be controlled by Kamran of Business World Pakistan, that listed AERO as seeking the exact same product in the same quantity.

- On or about April 20, 2017, Company D exported U.S.-origin electronic components to Business World Pakistan. The related invoice identifying the “bill to” party as Business World Canada and the “ship

to” party as Business World Pakistan. OEE’s investigation identified an AERO purchase order to Business World Pakistan dated November 18, 2016, that includes the exact same ten items by part number in the same quantity and in exactly the same order as those listed on the Company D invoice.

- On or about July 20, 2017, Company D exported U.S.-origin semiconductors to Business World Canada. The invoice listed the “bill to” party as Business World Canada and the “ship to” party as Product Engineering in Pakistan. OEE’s investigation identified an AERO purchase order dated September 22, 2016, to Business World Pakistan that includes the exact same 27 items by part number in the same quantity and in exactly the same order as those listed on the Company D invoice.

3. Unlicensed Export to the PAEC From Company E and Ties to Electro-Power Solutions and Industria Hong Kong

Company E is a supplier located in the United States. In another example, the procurement network used entities in Hong Kong, including the company name “Electro-Power Solutions,” to obtain items for the PAEC. Some common elements remained, however, such as oversight and direction by Kamran of Business World Pakistan and payment by Business World Canada.

On or about November 10, 2016, Company E of Brentwood, New Hampshire, exported cartridge heaters to Industria Hong Kong for an order placed by Electro-Power Solutions of Hong Kong, a company located at the same address as Business World Hong Kong and Industria Hong Kong. Kamran of Business World Pakistan, through his email address of *kamran@businessworld.com*, directed Business World Canada at *bzworld@hotmail.com* to make a wire transfer payment of \$1,557.50 to Company E. OEE’s investigation identified “ICCC” or the Instrumentation Control and Computer Complex, an arm of the PAEC, as requesting the U.S.-origin cartridge heaters from Kamran of Business World Pakistan based on an email dated July 25, 2016. A Business World Pakistan purchase order to ICCC dated December 30, 2016, confirms that the order was revised to 125 cartridge heaters, rather than 150, matching the Company E export.

4. Unlicensed Export to AERO From Company F and Ties to Business World Hong Kong and Ahsan

Company F is a manufacturer and distributor located in the United States. In another variation of Respondents’ procurement scheme, Business World

Canada used a credit card to pay for an order for AERO that was routed through middle parties in Hong Kong for ultimate transshipment to Pakistan.

On or about January 8, 2016, Company F of Las Vegas, Nevada, exported electronic connectors to Business World Hong Kong. The related invoice listed the “ship to” party as Business World Hong Kong and the “bill to” party as Business World Pakistan, though the actual payor was Ahsan of Business World Canada, who paid \$9,846 using a credit card in his name. OEE’s investigation identified an AERO tender dated June 8, 2015, with the exact same parts in the same quantity as in the Company F invoice; the AERO tender had been forwarded from the *buzinessworld@gmail.com* to others at Business World Pakistan. OEE’s investigation also identified shipping documents where “M.A. Khan” of Business World Hong Kong reexported the items listed on the Company F invoice to Business World Pakistan on or about March 30, 2017. No license was obtained for the shipment since Business World Pakistan concealed the true end user.

IV. Ongoing Nature of Respondents’ Procurement Scheme

BIS’s investigation has uncovered that Respondents continue to seek U.S.-origin items from companies which they have previously obtained items on behalf of the PAEC and AERO, and with which they have an established business relationship. As recently as September 2019, Business World Hong Kong, using a well-established *modus operandi*, including the same email addresses and aliases used in prior efforts to illegally obtain U.S.-origin items for the PAEC, sought to obtain additional items from U.S. companies. Specifically, on or about April 12, 2019, Business World Hong Kong re-engaged the U.S. company to seek new items—picking up an earlier email exchange that had been used as part of the illegal procurement scheme on behalf of the PAEC. Not only was the means of engagement identical, Business World Hong Kong sought the same cartridge heaters as had been acquired previously. Further, based on OEE’s review of the procurement scheme’s prior transaction and the entities involved here, OEE has reasonable cause to believe that the current request is also for listed entities, the PAEC and AERO. Similarly, continuing through late 2019, Kamran contacted U.S. companies to obtain other U.S.-origin items that BIS has reasonable cause to believe are for listed entities, such as the PAEC and AERO, based on his prior transactions. These

transactions included payments from seemingly unrelated entities in third countries in a method similar to other transactions.

In sum, Respondents operated a well-developed procurement scheme for at least five years, designed to circumvent U.S. restrictions on exports of items to the PAEC and AERO based on their involvement in the proliferation of nuclear and missile technology. This scheme involved multinational entities and players located in at least three countries, the use of related and unrelated companies, changeable transshipment routes, and duplicitous methods of payment. Respondents themselves routinely generated false information to avoid detection of the scheme. In addition, on its own, the unsealing of the criminal indictment against the individual Respondents will not give the public sufficient notice of the individuals and entities involved in the ongoing procurement scheme. Thus, with the identification of the Respondents as set forth in this TDO, the undersigned expects to reduce the likelihood that U.S.-origin items will be exported, reexported or transferred to listed entities as part of the procurement scheme.

Based on the foregoing evidence, the scheme is durable and ongoing, and violations of the Regulations are thereby imminent.

V. Related Persons

Section 766.23 of the Regulations provides that in order to prevent evasion, TDOs “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.” 15 CFR 766.23(a). Related persons may be added to a TDO on an ex-parte basis in accordance with Section 766.23(b) of the Regulations. 15 CFR 766.23(b). The designation of Product Engineering’s name and address as the “ship to” party in at least one transaction highlights that Respondents regularly used their affiliations and business relationships to obscure the true end user of an export of U.S.-origin items. Product Engineering is intertwined in its conduct of business with Kamran of Business World Pakistan, and as such is properly designated as a related person. As noted above, the Respondents regularly procured U.S.-origin items for the PAEC and AERO, and OEE uncovered evidence that U.S.-origin items shipped to Product Engineering were ultimately destined for the prohibited end users.

VI. Findings

I find that the evidence presented by BIS demonstrates that a violation of the Regulations is imminent in both time and degree of likelihood. The Respondents have engaged in knowing violations of the Regulations relating to the procurement of U.S.-origin items subject to the Regulations for export to persons on the BIS Entity List, at times via transshipment through Hong Kong, while providing false or misleading information regarding the ultimate consignee and final destination of the items to U.S. suppliers and/or the U.S. Government. Respondents structured and routed their transactions in a manner designed to conceal or obscure the destinations, end users, and/or end uses of the U.S.-origin items they procure, thereby attempting to avoid export control scrutiny and possible detection by U.S. law enforcement.

In sum, the facts and circumstances taken together, including the transshipment of U.S.-origin items, misrepresentations made in AES filings, and concerted actions of the Respondents, coupled with very recent activity employing the same *modus operandi*, provide strong indicators that violations likely are imminent absent the issuance of a TDO. Therefore, a TDO is needed to give notice to persons and companies in the United States and abroad that they should cease dealing with the Respondents in export transactions involving items subject to the EAR. Accordingly, I find that an order denying the export privileges of Muhammad Kamran Wali, Muhammad Ahsan Wali, Haji Wali Muhammad Sheikh, Ahmed Waheed, Ashraf Khan Muhammad, Business World (of Pakistan), Business World (of Canada), Business World (of Hong Kong), and Industria Hong Kong Ltd, d/b/a Transcool Auto Air Conditioning Products, d/b/a Electro-Power Solutions is necessary, in the public interest, to prevent an imminent violation of the EAR. Additionally, I find that Product Engineering meets the criteria set out in Section 776.23 and should be added to the TDO as a related person in order to prevent evasion.

This Order is being issued on an *ex parte* basis without a hearing based upon BIS’s showing of an imminent violation in accordance with Sections 766.24 and 766.23(b) of the Regulations.

It is therefore ordered:

First, that MUHAMMAD KAMRAN WALI, with the last known address of 1st Floor Jahanzeb Center, Bank Road, Saddar, Rawalpindi, Pakistan; MUHAMMAD AHSAN WALI, with the last known address of 4453 Weeping

Willow Drive, Mississauga, Ontario, Canada; HAJI WALI MUHAMMAD SHEIKH, with the last known address of 4453 Weeping Willow Drive, Mississauga, Ontario, Canada; AHMED WAHEED, with the last known address of 143 Wards Road, Ilford, Essex, United Kingdom; ASHRAF KHAN MUHAMMAD, M/F 20 Pei Ho Street, Sham Shui Po, Kowloon, Hong Kong; BUSINESS WORLD, with the last known address of 1st Floor Jahanzeb Center, Bank Road, Saddar, Rawalpindi, Pakistan; BUZINESS WORLD, with the last known address of 4453 Weeping Willow Drive, Mississauga, Ontario, Canada; BUSINESS WORLD, with the last known address of 2nd Floor, Kau On Building, 251–253 Cheung Shaw Wan Road, Kowloon, Hong Kong; INDUSTRIA HONG KONG LTD, d/b/a TRANSCOOL AUTO AIR CONDITIONING PRODUCTS, d/b/a ELECTRO-POWER SOLUTIONS, with the last known address of 2nd Floor, Kau On Building, 251–253 Cheung Shaw Wan Road, Kowloon, Hong Kong; and PRODUCT ENGINEERING, Unit 10, Chowk Gowalmandi, Daryabad, Gowalmandi, Rawalpindi, Punjab, Pakistan, and when acting for or on their behalf, any successors, assigns, directors, officers, employees, or agents (each a “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 Export Administration Regulations (“EAR”), or in any other activity subject to the EAR 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 EAR, or engaging in any other activity subject to the EAR; 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 EAR, or from any other activity subject to the EAR.

Second, that 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 EAR;

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 EAR 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 EAR that has been exported from the United States;

D. Obtain from a Denied Person in the United States any item subject to the EAR 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 EAR 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 EAR 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 EAR, any other person, firm, corporation, or business organization or entity related to Muhammad Kamran Wali, Muhammad Ahsan Wali, Haji Wali Muhammad Sheikh, Ahmed Waheed, Ashraf Khan Muhammad, Business World (of Pakistan), Business World (of Canada), Business World (of Hong Kong), and Industria Hong Kong Ltd 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.

In accordance with the provisions of Section 766.24(e) of the EAR, Muhammad Kamran Wali, Muhammad Ahsan Wali, Haji Wali Muhammad Sheikh, Ahmed Waheed, Ashraf Khan Muhammad, Business World (of Pakistan), Business World (of Canada), Business World (of Hong Kong), and Industria Hong Kong Ltd may, at any time, appeal 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.

In accordance with the provisions of Sections 766.23(c)(2) and 766.24(e)(3) of the EAR, Product Engineering may, at

any time, appeal its inclusion as a related person 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.

In accordance with the provisions of Section 766.24(d) of the EAR, BIS may seek renewal of this Order by filing a written request not later than 20 days before the expiration date. Muhammad Kamran Wali, Muhammad Ahsan Wali, Haji Wali Muhammad Sheikh, Ahmed Waheed, Ashraf Khan Muhammad, Business World (of Pakistan), Business World (of Canada), Business World (of Hong Kong), and Industria Hong Kong Ltd may oppose a request to renew this Order by filing a written submission with the Assistant Secretary for Export Enforcement, which must be received not later than seven days before the expiration date of the Order.

A copy of this Order shall be sent to Muhammad Kamran Wali, Muhammad Ahsan Wali, Haji Wali Muhammad Sheikh, Ahmed Waheed, Ashraf Khan Muhammad, Business World (of Pakistan), Business World (of Canada), Business World (of Hong Kong), Industria Hong Kong Ltd and Product Engineering, and shall be published in the **Federal Register**.

This Order is effective upon issuance and shall remain in effect for 180 days.

Dated: January 15, 2020.

Douglas Hassebrock,

Acting Assistant Secretary of Commerce for Export Enforcement.

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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

[Case No. 18-BIS-0002]

Order Relating to Marjan Caby

In the Matter of: Marjan Caby, 8500 SW 109th Avenue, Apt. 211, Miami, FL 33173, et al., Respondents.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Marjan Caby, of Miami, Florida, that it has initiated an administrative proceeding against her pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ through the issuance of

¹ The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. 4601-4623 (Supp. III 2015) (“the EAA”), which lapsed on August 21, 2001. The President, through Executive Order 13222 of August 17, 2001 (3 CFR, 2001 Comp. 783 (2002)), which was

a Charging Letter alleging that Marjan Caby, Ali Caby, Arash Caby, AW-Tronics LLC, (“AW-Tronics”) and Arrowtronic, LLC (“Arrowtronic”) (collectively, “Respondents”) violated the Regulations as follows:

Charge 1 15 CFR 764.2(d)—Conspiracy

Beginning as early as in or about September 2013, and continuing through in or about March 2014, Respondents conspired and acted in concert with others, known and unknown, to bring about one or more acts that constitute a violation of the Regulations. The purpose and object of the conspiracy was to unlawfully export goods from the United States through transshipment points to Syria, including to Syrian Arab Airlines (“Syrian Air”), the flag carrier airline of Syria and a Specially Designated Global Terrorist (“SDGT”), and in doing so evade the prohibitions and licensing requirements of the Regulations and avoid detection by U.S. law enforcement.

Pursuant to Section 746.9 of the Regulations, a license is required for the export or reexport to Syria of all items subject to the Regulations, except food and medicine classified as EAR99. Furthermore, pursuant to Section 744.12 of the Regulations, a license is required to export or reexport items subject to the Regulations to SDGTs. Syrian Air was designated as an SDGT on May 16, 2013 (see 78 FR 32304, May 29, 2013), under authority granted to the Department of the Treasury by Executive Order 13,224, and was at all times pertinent hereto (and remains) listed as an SDGT. At all pertinent times, AW-Tronics and Arrowtronic were active limited liability companies incorporated in the State of Florida. Documentary evidence and

extended by successive Presidential Notices, continued the Regulations in full force and effect under the International Emergency Economic Powers Act, 50 U.S.C. 1701, *et seq.* (2012) (“IEEPA”). 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 EAA (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 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. The Regulations are currently codified in the Code of Federal Regulations at 15 CFR parts 730-774 (2018). The charged violation occurred in 2013-2014. The Regulations governing the violation at issue are found in the 2013-2014 versions of the Code of Federal Regulations (15 CFR parts 730-774 (2013-2014)). The 2019 Regulations set forth the procedures that apply to this matter.