

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

In the Matter of:

Aiman Ammar
a/k/a Ayman Ammar
with last known addresses of:
Princess Tower, Apartment 3803
Al Sufouh Street
Dubai Marina, Dubai, UAE

and

1265 Camden Way
Yuba City, CA 95991

Rashid Albuni
with last known addresses of:
Dubai Silicon Oasis
Office # AG 05-2
Dubai, UAE

and

The Gardens Building 65
Apartment 12
Dubai, UAE

Engineering Construction & Contracting Co.
with last known addresses of:
P.O. Box 25858
Damascus, Syria

and

Abu Romana Area
Shahin Building, Ground Floor
Damascus, Syria

Advanced Tech Solutions
a/k/a Advanced Technology Solutions
with last known addresses of:
P.O. Box 25858
Damascus, Syria

14-BIS-0006

and

Moasa Square
Takriti Building, Fourth Floor
Damascus, Syria

iT Wave FZCO
a/k/a iT-Wave
a/k/a ITEX-Wave FZCO
with last known addresses of:
Dubai Silicon Oasis
Office # AG 05-2
Dubai, UAE

and

The Gardens Building 65
Apartment 12
Dubai, UAE

Respondents

Order Relating to Aiman Ammar, Rashid Albuni, Engineering Construction & Contracting Co., Advanced Tech Solutions, and iT Wave FZCO

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Aiman Ammar a/k/a Ayman Ammar (“Ammar”), of Dubai, United Arab Emirates (“U.A.E.”), Rashid Albuni (“Albuni”), of Dubai, U.A.E., Engineering Construction & Contracting Co. (“ECC”), of Damascus, Syria, Advanced Technology Solutions a/k/a Advanced Tech Solutions (“ATS”), of Damascus, Syria, and iT Wave FZCO a/k/a iT-Wave a/k/a ITEX-Wave FZCO (“iT-Wave”), of Dubai, U.A.E. (collectively, “Respondents”), that it has initiated an administrative proceeding against the Respondents pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2015). The charged violations occurred in 2010-2013. The Regulations

(the “Act”),² through the issuance of a Charging Letter to Respondents that alleges that Respondents violated the Regulations. Specifically, the charges are:

As to all Respondents:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy to Export or Reexport to Syria Computer Equipment and Software Designed for Use in Monitoring and Controlling Web Traffic

1. Ammar, Albuni, ECC, ATS, and iT-Wave conspired and acted in concert with others, known and unknown, to bring about or do an act that constitutes a violation of the Regulations. The conspiracy was formed by and among Ammar, Albuni, ECC, and ATS in or about October 2010. iT-Wave joined the conspiracy by no later than in or about January 2013, and the conspiracy continued through at least in or about March 2013. The purpose of the conspiracy was to bring about exports and reexports without the required U.S. Government authorization to Syria, including the Syrian Telecommunications Establishment (“STE”), of computer equipment and software designed for use in monitoring and controlling Web traffic and of other associated equipment. All of these items were subject to the Regulations, and nearly all of them were classified under Export Control Classification Number (“ECCN”) 5A002 and controlled for National Security and Anti-Terrorism reasons and as Encryption Items.³ The items exported or reexported to Syria pursuant to the conspiracy were valued in total at approximately \$1.8 million.
2. The United States has a long-standing and widely-known trade embargo against Syria. With the exception of certain medicines and food, no item subject to the Regulations may be exported or reexported to Syria without a Department of

governing the violations at issue are found in the 2010-2013 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774). The 2015 Regulations set forth the procedures that apply to this matter.

² 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 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 7, 2015 (80 Fed. Reg. 48,233 (Aug. 11, 2015)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 & Supp. IV 2010).

³ A limited number of the items were designated as “EAR99” under the Regulations. EAR99 is a designation for items that are subject to the Regulations, but not listed on the Commerce Control List.

Commerce license, as set forth at all times pertinent hereto in General Order No. 2, codified in Supplement No. 1 to Part 736 of the Regulations.⁴

3. In furtherance of the conspiracy, Ammar and Albuni directed activities in and/or from the U.A.E. and Syria in a scheme to export or reexport U.S.-origin or U.S.-controlled equipment and software for use in Syria and in several instances to fulfill contracts with the state-run STE. As set forth in further detail below, Albuni negotiated sales, submitted purchase orders, and served as the end user contact for shipments of controlled items while identifying himself as General Manager of ATS, a Syrian company that has been in operations in the U.A.E., and as Manager of iT-Wave, which identifies itself as an internet computer technology company based in the U.A.E. with operations in Syria. Ammar directed payments for the unlawful exports and reexports to Syria from personal and business bank accounts, including payments from the accounts of ECC, a company based in Damascus, Syria. ECC and ATS share the same P.O. Box address in Damascus, Syria, and upon information and belief are related companies. Ammar also identified himself as the Chief Executive Officer of iT-Wave.
4. Both directly and through regional resellers, Ammar, Albuni, ECC, ATS, and iT-Wave arranged for the procurement of U.S.-origin or U.S.-controlled items for use in Syria. Through various entities, these individuals falsely represented, directly and indirectly, to U.S. companies or their authorized distributors or resellers that the items were intended for end users in such locations as Iraq, Afghanistan, Turkey, Egypt and U.A.E, when they actually were intended for Syria, primarily STE.

A. Equipment and Software Unlawfully Procured by Respondents in 2010-2011 for Use in Monitoring and Controlling Web Traffic, including by the Syrian Telecommunications Establishment ("STE")

5. In or about August 2010, Albuni, holding himself out as General Manager of ATS of Damascus, Syria, requested pricing information from a regional reseller for products produced by Blue Coat Systems, Inc., of Sunnyvale, California ("Blue Coat"). The regional reseller provided the order to Computerlinks FZCO, the authorized distributor in the Middle East for Blue Coat. On or about October 29, 2010, Computerlinks FZCO placed with Blue Coat an order for eight devices used to monitor and control web traffic along with accompanying equipment and software. In order to evade the Regulations, Albuni concealed the fact that the items were destined for Syria, by falsely representing to Blue Coat, through Computerlinks FZCO and the regional reseller, that the items were intended for the Iraq Ministry of Telecom, and provided his personal email address as the end

⁴ General Order No. 2 was issued pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003. On December 12, 2011, the controls on exports and reexports to Syria were moved to Section 746.9 of the Regulations. The licensing requirements continued unchanged. See 76 Fed. Reg. 77,115 (Dec. 12, 2011).

user contact, which also did not indicate a Syrian location. Upon receiving the order, Blue Coat reexported the items from its facility in the Netherlands to Computerlinks FZCO in the U.A.E. On or about December 15, 2010, Computerlinks FZCO directed the items' transfer within the U.A.E. for their subsequent shipment to ECC in Damascus, Syria, for use by the state-run STE. A shipping request notice identified Ammar as the point of contact at ECC for the shipment.

6. On or about December 31, 2010, using the same reseller and distributor channel as for the October 29, 2010 order, a second order was placed for six of the same Blue Coat devices, again with false information being provided indicating that the items were intended for the Iraq Ministry of Telecom and listing the end user contact as Albuni, when the items were in fact destined for Syria. Upon receiving the order, Blue Coat shipped the items from the United States to Computerlinks FZCO in the U.A.E. On or about February 9, 2011, Computerlinks FZCO directed that three of the six devices be transferred within the U.A.E. for their subsequent shipment to ECC in Damascus, Syria. In an air waybill dated February 10, 2011, the freight forwarder identified Ammar as the point of contact for ECC in Damascus, Syria.
7. To satisfy outstanding bills to Computerlinks FZCO for the items for which they falsely stated were for use in Iraq, Albuni and Ammar arranged or directed four wire transfers to Computerlinks FZCO between February 2, 2011, and May 17, 2011, from both Ammar and ECC. Prompted by an email dated April 6, 2011, from an intermediary connected with these shipments, Albuni was asked to arrange a letter for Ammar to transfer the remaining balance owed to Computerlinks FZCO. Ammar had previously made a wire transfer as an initial deposit payment to Computerlinks FZCO on February 2, 2011. He directed a second payment from ECC on April 13, 2011, and made two additional wire transfer payments from an account in his name in Damascus, Syria, on May 12 and 17, 2011.
8. On or about May 15, 2011, using a similar reseller and distribution channel, an order was placed for five more devices, along with accompanying equipment and software, from Blue Coat, this time falsely stating that the items were intended for Liwalnet, an Internet service provider in Afghanistan, when in fact the items were again destined for Syria. After the items arrived in the U.A.E. from the Netherlands, on or about May 26, 2011, Computerlinks FZCO directed its freight forwarder to consolidate the remaining three of the six devices and software from the December 31, 2010 order, along with the five devices and software from the May 15, 2011 order, and transfer the ownership of all eight devices and the accompanying equipment within the U.A.E. After the transfer of ownership, Albuni, identifying himself as General Manager of ATS, directed the subsequent shipment of the items to Syria.

9. Finally, on or about June 5, 2011, an order was placed for three additional Blue Coat devices, along with accompanying equipment and software, this time falsely stating that the items were destined purportedly for Turkey for a company named Turkish Marine Services, when the items were in fact destined for Syria. After the items arrived in the U.A.E. from the Netherlands, on or about June 27, 2011, Computerlinks FZCO directed its freight forwarders to transfer ownership of the items within the U.A.E. Albuni in his capacity as General Manager of ATS directed the freight forwarder to ship to him at ATS, which has the same address as ECC in Syria.
10. ECC paid for the May and June orders by two wire transfers dated, respectively, July 12 and 14, 2011.

B. Additional Equipment Unlawfully Procured by Respondents in 2011 for Use by STE

11. On or about March 24, 2011, Albuni, through his ATS email account, notified a different regional reseller that ATS had received an STE contract and needed assistance in placing orders for the Brocade ServerIron ADX 1000 and related items. These items distribute network or application traffic (load balance) across a number of servers to increase capacity and reliability of applications for networks and large enterprise data centers. On March 27, 2011, an employee of this regional reseller responded that he was negotiating about the order with Mindware, Brocade's authorized reseller in the Middle East, and that he had requested that the reseller ask Brocade to start the manufacturing process so that the items could be delivered in six weeks. After receiving the regional reseller's invoice, Albuni secured payment for the items from Ammar, who, on or about May 10, 2011, directed payment to the regional reseller for the order from ECC's bank account.
12. When Brocade, the U.S. manufacturer, requested end user information in conjunction with its approval of the order on or about April 11, 2011, false information was provided indicating that the end user was a company in Egypt, when in fact the items were destined for STE in Syria. When the order arrived in the U.A.E. in early May 2011, a co-conspirator traveled from Damascus to Dubai to inspect the shipment and found the shipment to be acceptable. Emails received by Albuni indicate that the shipment was eventually delivered to Syria on or about May 17, 2011.

C. Hard Drives Unlawfully Procured by Respondents in 2013 for Use by STE

13. Subsequently, in emails and other correspondence among STE and Albuni at ATS and iT-Wave, STE identified hard drive issues relating to three products, some of which were items exported or reexported in 2010-2011 as part of the conspiracy. On or about January 29, 2013, Albuni, identifying himself as a representative of iT-Wave, placed orders with a U.S. company for three hard drives, falsely stating

that the items were intended for iT-Wave in Dubai, U.A.E., when in fact the items were destined for STE in Syria. On or about January 30, 2013, the hard drives were shipped from the United States to the U.A.E. to a ship to and bill to address for iT-Wave in Dubai, U.A.E., and transshipped to Syria after their arrival in Dubai. Emails indicate that the hard drives arrived in Damascus, Syria, in early March 2013.

14. Following the failure of additional hard drives, STE sought to acquire more hard drives through Albuni. On or about March 6, 2013, Albuni, holding himself out as a representative of iT-Wave, placed another order with the same U.S. company for the same type of hard drives, again falsely stating that the items were intended for iT-Wave in Dubai, U.A.E., when in fact the items were destined for STE in Syria. On or about the same day, the hard drives were shipped from the United States to iT-Wave in Dubai and transshipped to Syria after their arrival in the U.A.E. Financial records maintained by Ammar, who served both as CEO of iT-Wave and Managing Director of ECC, indicate that ECC paid for the transport of the hard drives from Dubai to Damascus, Syria, for use by STE.

D. Knowledge

15. As set forth above, Respondents knew at all pertinent times hereto that the items were destined for end users in Syria, as evidenced by, inter alia, email discussions among and between Respondents, the resellers and the forwarders that indicated the final destination was Syria, shipping documents showing Syria as the ultimate destination, and wire transfer payment made from Syria for the items.
16. Respondents also knew at all times pertinent hereto that exports and reexports of the items to Syria were prohibited by the United States' trade embargo against Syria and related export control laws. For example, in an interview with BIS and the Department of Homeland Security special agents on or about August 6, 2013, Ammar admitted that he was "one hundred percent" aware of U.S. sanctions on Syria and stated that "[b]efore the sanctions started, I worked for this American company . . . and when the sanctions started, they told me to Syria we cannot ship." During this interview, he had a business card that identified him as the managing director of ECC. Based on emails, Albuni, in turn, was aware of U.S. sanctions on Syria, which prevented U.S. companies from having registered partners in Syria, as early as in or about October 2009. Moreover, in correspondence dated November 29, 2010, Albuni indicated that he knew that there were problems shipping to Syria and suggested placing STE orders through a regional reseller, falsely stating that the items were for an Iraq project.
17. As also set forth above, Ammar and Albuni managed and/or controlled ECC, ATS, and iT-Wave, through which they and their other co-conspirators, named and unnamed, acted in concert pursuant to a scheme involving a series of transactions to evade the Regulations.

18. In so doing, Ammar, Albuni, ECC, ATS, and iT-Wave each violated Section 764.2(d) of the Regulations.

As to all Respondents except iT-Wave:

Charges 2-5: 15 C.F.R. § 764.2(h) – Evasion

19. As set forth in Paragraphs 1-10 and 15-17, *supra*, which are realleged and incorporated herein, on four occasions from on or about October 29, 2010, through in or about July 2011, Albuni, Ammar, ECC, and ATS engaged in transactions or took actions with intent to evade the Regulations in connection with the unlawful export and reexport to Syria of items subject to the Regulations. The items included equipment and software designed for use in monitoring and controlling Web traffic that are classified under ECCN 5A002, controlled for National Security and Anti-Terrorism reasons and as Encryption Items, and valued at \$1,548,959. Respondents knew at all pertinent times hereto that exports and reexports of the items to Syria were prohibited by the Regulations.
20. In so doing, Ammar, Albuni, ECC, and ATS committed four violations of Section 764.2(h) of the Regulations and are jointly and severally liable for those violations.

Charge 6: 15 C.F.R. § 764.2(h) – Evasion

21. As set forth in Paragraphs 1-4, 11-12, and 15-17, *supra*, which are realleged and incorporated herein, on one occasion between in or about March 2011, and in or about April 2011, Ammar, Albuni, ECC, and ATS engaged in a transaction or took actions with the intent to evade the Regulations in connection with the unlawful export or reexport to Syria of items subject to the Regulations for use by STE. The items included data servers and associated parts that are classified under ECCN 5A002, controlled as Encryption Items for National Security and Anti-Terrorism reasons, or designated EAR99, and valued at approximately \$249,000. Ammar, Albuni, ECC, and ATS knew at all times pertinent hereto that exports or reexports of the items to Syria were prohibited by the Regulations.
22. In so doing, Ammar, Albuni, ECC, and ATS committed one violation of Section 764.2(h) of the Regulations and are jointly and severally liable for that violation.

As to all Respondents except ATS:

Charges 7-8: 15 C.F.R. § 764.2(h) – Evasion

23. As set forth in Paragraphs 1-4 and 13-17, *supra*, which are realleged and incorporated herein, between in or about January 2013, and in or about March 2013, Ammar, Albuni, ECC, and iT-Wave engaged in transactions or took actions with the intent to evade the Regulations in connection with the unlawful export or

reexport to Syria of items subject to the Regulations for use by STE. The items were U.S.-origin hard drives designated as EAR99 and valued in total at approximately \$884. Ammar, Albuni, ECC, and iT-Wave knew at all times pertinent hereto that exports or reexports of the items to Syria were prohibited by the Regulations.

24. In so doing, Ammar, Albuni, ECC, and iT-Wave committed two violations of Section 764.2(h) of the Regulations and are jointly and severally liable for those violations.

WHEREAS, BIS and Respondents have entered into a Settlement Agreement pursuant to Section 766.18(b) 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, Respondents shall be assessed a civil penalty in the amount of \$7,000,000. Respondents are jointly and severally liable for the payment of this civil penalty. Payment of \$250,000 shall be made to the U.S. Department of Commerce in four installments as follows: \$62,500 not later than March 1, 2016; \$62,500 not later than September 1, 2016; \$62,500 not later than March 1, 2017; and \$62,500 not later than September 1, 2017. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$6,750,000 shall be suspended for a period of two years from the date of this Order, and thereafter shall be waived, provided that during this two-year payment probationary period under this Order, Respondent has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$250,000 as set forth above. If any of the four installment payments is not fully and timely made, any remaining scheduled installment payments and any suspended penalty may become due and owing immediately.

SECOND, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and if payment is not made by the due date specified herein, Respondents will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, for the applicable time periods, starting from the date of this Order, that are set forth in Paragraph Sixth below, Aiman Ammar a/k/a Ayman Ammar, with last known addresses of Princess Tower, Apartment 3803, Al Sufouh Street, Dubai Marina, Dubai, U.A.E., and 1265 Camden Way, Yuba City, CA 95991; Rashid Albuni, with last known addresses of The Gardens Building 65, Apartment 12, Dubai, U.A.E., and Dubai Silicon Oasis, Office # AG 05-2, Dubai, U.A.E.; Engineering Construction & Contracting Co., with last known addresses of P.O. Box 25858, Damascus, Syria, and Abu Romana Area, Shahin Building, Ground Floor, Damascus, Syria; Advanced Tech Solutions a/k/a Advanced Technology Solutions, with last known addresses of P.O. Box 25858, Damascus, Syria, and Moasa Square, Takriti Building, Fourth Floor, Damascus, Syria; and iT Wave FZCO a/k/a iT-Wave a/k/a ITEX-Wave FZCO, with last known addresses of Dubai Silicon Oasis, Office # AG 05-2, Dubai, U.A.E., and The Gardens Building 65, Apartment 12, Dubai, U.A.E., and when acting for or on their behalf, their successors, assigns, directors, officers, employees, representatives, or agents (hereinafter 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 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.

FOURTH, for the applicable time periods, starting from the date of this Order, that are set forth in Paragraph Sixth below, 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.

FIFTH, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to a 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 for the applicable time periods, starting from the date of this Order, that are set forth in Paragraph Sixth, below.

SIXTH, that the provisions of Paragraphs Third, Fourth, and Fifth, above, shall apply for the following periods of time:

- A. As to Engineering Construction & Contracting Co., and when acting for or on its behalf, its successors, assigns, directors, officers, employees,

representatives, or agents, for a period of seven (7) years from the date of this Order;

- B. As to Advanced Tech Solutions a/k/a Advanced Technology Solutions, and when acting for or on its behalf, its successors, assigns, directors, officers, employees, representatives, or agents, for a period of seven (7) years from the date of this Order;
- C. As to Rashid Albuni, and when acting for or on his behalf, his successors, assigns, representatives, agents, or employees, for a period of six (6) years from the date of this Order;
- D. As to Aiman Ammar a/k/a Ayman Ammar, and when acting for or on his behalf, his successors, assigns, representatives, agents, or employees, for a period of five (5) years from the date of this Order; and
- E. As to iT Wave FZCO a/k/a iT-Wave a/k/a ITEX-Wave FZCO, and when acting for or on its behalf, its successors, assigns, directors, officers, employees, representatives, or agents, for a period of four (4) years from the date of this Order.

SEVENTH, Respondents shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Charging Letter or this Order. The foregoing does not affect Respondents' 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.

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

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

This Order, which constitutes the final agency action in this matter, is effective immediately.⁵



Richard R. Majauskas
Deputy Assistant Secretary of Commerce
for Export Enforcement

Issued this 18th day of September, 2015.

⁵ Review and consideration of this matter have been delegated to the Deputy Assistant Secretary of Commerce for Export Enforcement.

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

In the Matter of:

Aiman Ammar
a/k/a Ayman Ammar
with last known addresses of:
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14-BIS-0006

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and

The Gardens Building 65
Apartment 12
Dubai, UAE

Respondents

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Aiman Ammar a/k/a Ayman Ammar (“Ammar”), of Dubai, United Arab Emirates (“U.A.E.”), Rashid Albuni (“Albuni”), of Dubai, U.A.E., Engineering Construction & Contracting Co. (“ECC”), of Damascus, Syria, Advanced Technology Solutions a/k/a Advanced Tech Solutions (“ATS”), of Damascus, Syria, and iT Wave FZCO a/k/a iT-Wave a/k/a ITEX-Wave FZCO (“iT-Wave”), of Dubai, U.A.E. (collectively, “Respondents”), and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively, the “Parties”), pursuant to Section 766.18(b) of the Export Administration Regulations (the “Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (the “Act”).²

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WHEREAS, BIS has initiated an administrative proceeding against Respondents, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a Charging Letter to Respondents that alleges that Respondents violated the Regulations. Specifically, the charges are:

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Charge 1 15 C.F.R. § 764.2(d) – Conspiracy to Export or Reexport to Syria Computer Equipment and Software Designed for Use in Monitoring and Controlling Web Traffic

1. Ammar, Albuni, ECC, ATS, and iT-Wave conspired and acted in concert with others, known and unknown, to bring about or do an act that constitutes a violation of the Regulations. The conspiracy was formed by and among Ammar, Albuni, ECC, and ATS in or about October 2010. iT-Wave joined the conspiracy by no later than in or about January 2013, and the conspiracy continued through at least in or about March 2013. The purpose of the conspiracy was to bring about exports and reexports without the required U.S. Government authorization to Syria, including the Syrian Telecommunications Establishment (“STE”), of computer equipment and software designed for use in monitoring and controlling Web traffic and of other associated equipment. All of these items were subject to the Regulations, and nearly all of them were classified under Export Control Classification Number (“ECCN”) 5A002 and controlled for National Security and Anti-Terrorism reasons and as Encryption Items.³ The items exported or reexported to Syria pursuant to the conspiracy were valued in total at approximately \$1.8 million.

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³ A limited number of the items were designated as “EAR99” under the Regulations. EAR99 is a designation for items that are subject to the Regulations, but not listed on the Commerce Control List.

2. The United States has a long-standing and widely-known trade embargo against Syria. With the exception of certain medicines and food, no item subject to the Regulations may be exported or reexported to Syria without a Department of Commerce license, as set forth at all times pertinent hereto in General Order No. 2, codified in Supplement No. 1 to Part 736 of the Regulations.⁴
 3. In furtherance of the conspiracy, Ammar and Albuni directed activities in and/or from the U.A.E. and Syria in a scheme to export or reexport U.S.-origin or U.S.-controlled equipment and software for use in Syria and in several instances to fulfill contracts with the state-run STE. As set forth in further detail below, Albuni negotiated sales, submitted purchase orders, and served as the end user contact for shipments of controlled items while identifying himself as General Manager of ATS, a Syrian company that has been in operations in the U.A.E., and as Manager of iT-Wave, which identifies itself as an internet computer technology company based in the U.A.E. with operations in Syria. Ammar directed payments for the unlawful exports and reexports to Syria from personal and business bank accounts, including payments from the accounts of ECC, a company based in Damascus, Syria. ECC and ATS share the same P.O. Box address in Damascus, Syria, and upon information and belief are related companies. Ammar also identified himself as the Chief Executive Officer of iT-Wave.
 4. Both directly and through regional resellers, Ammar, Albuni, ECC, ATS, and iT-Wave arranged for the procurement of U.S.-origin or U.S.-controlled items for use in Syria. Through various entities, these individuals falsely represented, directly and indirectly, to U.S. companies or their authorized distributors or resellers that the items were intended for end users in such locations as Iraq, Afghanistan, Turkey, Egypt and U.A.E, when they actually were intended for Syria, primarily STE.
- A. Equipment and Software Unlawfully Procured by Respondents in 2010-2011 for Use in Monitoring and Controlling Web Traffic, including by the Syrian Telecommunications Establishment ("STE")*
5. In or about August 2010, Albuni, holding himself out as General Manager of ATS of Damascus, Syria, requested pricing information from a regional reseller for products produced by Blue Coat Systems, Inc., of Sunnyvale, California ("Blue Coat"). The regional reseller provided the order to Computerlinks FZCO, the authorized distributor in the Middle East for Blue Coat. On or about October 29, 2010, Computerlinks FZCO placed with Blue Coat an order for eight devices used to monitor and control web traffic along with accompanying equipment and software. In order to evade the Regulations, Albuni concealed the fact that the

⁴ General Order No. 2 was issued pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003. On December 12, 2011, the controls on exports and reexports to Syria were moved to Section 746.9 of the Regulations. The licensing requirements continued unchanged. *See* 76 Fed. Reg. 77,115 (Dec. 12, 2011).

items were destined for Syria, by falsely representing to Blue Coat, through Computerlinks FZCO and the regional reseller, that the items were intended for the Iraq Ministry of Telecom, and provided his personal email address as the end user contact, which also did not indicate a Syrian location. Upon receiving the order, Blue Coat reexported the items from its facility in the Netherlands to Computerlinks FZCO in the U.A.E. On or about December 15, 2010, Computerlinks FZCO directed the items' transfer within the U.A.E. for their subsequent shipment to ECC in Damascus, Syria, for use by the state-run STE. A shipping request notice identified Ammar as the point of contact at ECC for the shipment.

6. On or about December 31, 2010, using the same reseller and distributor channel as for the October 29, 2010 order, a second order was placed for six of the same Blue Coat devices, again with false information being provided indicating that the items were intended for the Iraq Ministry of Telecom and listing the end user contact as Albuni, when the items were in fact destined for Syria. Upon receiving the order, Blue Coat shipped the items from the United States to Computerlinks FZCO in the U.A.E. On or about February 9, 2011, Computerlinks FZCO directed that three of the six devices be transferred within the U.A.E. for their subsequent shipment to ECC in Damascus, Syria. In an air waybill dated February 10, 2011, the freight forwarder identified Ammar as the point of contact for ECC in Damascus, Syria.
7. To satisfy outstanding bills to Computerlinks FZCO for the items for which they falsely stated were for use in Iraq, Albuni and Ammar arranged or directed four wire transfers to Computerlinks FZCO between February 2, 2011, and May 17, 2011, from both Ammar and ECC. Prompted by an email dated April 6, 2011, from an intermediary connected with these shipments, Albuni was asked to arrange a letter for Ammar to transfer the remaining balance owed to Computerlinks FZCO. Ammar had previously made a wire transfer as an initial deposit payment to Computerlinks FZCO on February 2, 2011. He directed a second payment from ECC on April 13, 2011, and made two additional wire transfer payments from an account in his name in Damascus, Syria, on May 12 and 17, 2011.
8. On or about May 15, 2011, using a similar reseller and distribution channel, an order was placed for five more devices, along with accompanying equipment and software, from Blue Coat, this time falsely stating that the items were intended for Liwalnet, an Internet service provider in Afghanistan, when in fact the items were again destined for Syria. After the items arrived in the U.A.E. from the Netherlands, on or about May 26, 2011, Computerlinks FZCO directed its freight forwarder to consolidate the remaining three of the six devices and software from the December 31, 2010 order, along with the five devices and software from the May 15, 2011 order, and transfer the ownership of all eight devices and the accompanying equipment within the U.A.E. After the transfer of ownership,

Albuni, identifying himself as General Manager of ATS, directed the subsequent shipment of the items to Syria.

9. Finally, on or about June 5, 2011, an order was placed for three additional Blue Coat devices, along with accompanying equipment and software, this time falsely stating that the items were destined purportedly for Turkey for a company named Turkish Marine Services, when the items were in fact destined for Syria. After the items arrived in the U.A.E. from the Netherlands, on or about June 27, 2011, Computerlinks FZCO directed its freight forwarders to transfer ownership of the items within the U.A.E. Albuni in his capacity as General Manager of ATS directed the freight forwarder to ship to him at ATS, which has the same address as ECC in Syria.
10. ECC paid for the May and June orders by two wire transfers dated, respectively, July 12 and 14, 2011.

B. Additional Equipment Unlawfully Procured by Respondents in 2011 for Use by STE

11. On or about March 24, 2011, Albuni, through his ATS email account, notified a different regional reseller that ATS had received an STE contract and needed assistance in placing orders for the Brocade ServerIron ADX 1000 and related items. These items distribute network or application traffic (load balance) across a number of servers to increase capacity and reliability of applications for networks and large enterprise data centers. On March 27, 2011, an employee of this regional reseller responded that he was negotiating about the order with Mindware, Brocade's authorized reseller in the Middle East, and that he had requested that the reseller ask Brocade to start the manufacturing process so that the items could be delivered in six weeks. After receiving the regional reseller's invoice, Albuni secured payment for the items from Ammar, who, on or about May 10, 2011, directed payment to the regional reseller for the order from ECC's bank account.
12. When Brocade, the U.S. manufacturer, requested end user information in conjunction with its approval of the order on or about April 11, 2011, false information was provided indicating that the end user was a company in Egypt, when in fact the items were destined for STE in Syria. When the order arrived in the U.A.E. in early May 2011, a co-conspirator traveled from Damascus to Dubai to inspect the shipment and found the shipment to be acceptable. Emails received by Albuni indicate that the shipment was eventually delivered to Syria on or about May 17, 2011.

C. Hard Drives Unlawfully Procured by Respondents in 2013 for Use by STE

13. Subsequently, in emails and other correspondence among STE and Albuni at ATS and iT-Wave, STE identified hard drive issues relating to three products, some of

which were items exported or reexported in 2010-2011 as part of the conspiracy. On or about January 29, 2013, Albuni, identifying himself as a representative of iT-Wave, placed orders with a U.S. company for three hard drives, falsely stating that the items were intended for iT-Wave in Dubai, U.A.E., when in fact the items were destined for STE in Syria. On or about January 30, 2013, the hard drives were shipped from the United States to the U.A.E. to a ship to and bill to address for iT-Wave in Dubai, U.A.E., and transshipped to Syria after their arrival in Dubai. Emails indicate that the hard drives arrived in Damascus, Syria, in early March 2013.

14. Following the failure of additional hard drives, STE sought to acquire more hard drives through Albuni. On or about March 6, 2013, Albuni, holding himself out as a representative of iT-Wave, placed another order with the same U.S. company for the same type of hard drives, again falsely stating that the items were intended for iT-Wave in Dubai, U.A.E., when in fact the items were destined for STE in Syria. On or about the same day, the hard drives were shipped from the United States to iT-Wave in Dubai and transshipped to Syria after their arrival in the U.A.E. Financial records maintained by Ammar, who served both as CEO of iT-Wave and Managing Director of ECC, indicate that ECC paid for the transport of the hard drives from Dubai to Damascus, Syria, for use by STE.

D. Knowledge

15. As set forth above, Respondents knew at all pertinent times hereto that the items were destined for end users in Syria, as evidenced by, inter alia, email discussions among and between Respondents, the resellers and the forwarders that indicated the final destination was Syria, shipping documents showing Syria as the ultimate destination, and wire transfer payment made from Syria for the items.
16. Respondents also knew at all times pertinent hereto that exports and reexports of the items to Syria were prohibited by the United States' trade embargo against Syria and related export control laws. For example, in an interview with BIS and the Department of Homeland Security special agents on or about August 6, 2013, Ammar admitted that he was "one hundred percent" aware of U.S. sanctions on Syria and stated that "[b]efore the sanctions started, I worked for this American company . . . and when the sanctions started, they told me to Syria we cannot ship." During this interview, he had a business card that identified him as the managing director of ECC. Based on emails, Albuni, in turn, was aware of U.S. sanctions on Syria, which prevented U.S. companies from having registered partners in Syria, as early as in or about October 2009. Moreover, in correspondence dated November 29, 2010, Albuni indicated that he knew that there were problems shipping to Syria and suggested placing STE orders through a regional reseller, falsely stating that the items were for an Iraq project.
17. As also set forth above, Ammar and Albuni managed and/or controlled ECC, ATS, and iT-Wave, through which they and their other co-conspirators, named

and unnamed, acted in concert pursuant to a scheme involving a series of transactions to evade the Regulations.

18. In so doing, Ammar, Albuni, ECC, ATS, and iT-Wave each violated Section 764.2(d) of the Regulations.

As to all Respondents except iT-Wave:

Charges 2-5: 15 C.F.R. § 764.2(h) – Evasion

19. As set forth in Paragraphs 1-10 and 15-17, *supra*, which are realleged and incorporated herein, on four occasions from on or about October 29, 2010, through in or about July 2011, Albuni, Ammar, ECC, and ATS engaged in transactions or took actions with intent to evade the Regulations in connection with the unlawful export and reexport to Syria of items subject to the Regulations. The items included equipment and software designed for use in monitoring and controlling Web traffic that are classified under ECCN 5A002, controlled for National Security and Anti-Terrorism reasons and as Encryption Items, and valued at \$1,548,959. Respondents knew at all pertinent times hereto that exports and reexports of the items to Syria were prohibited by the Regulations.
20. In so doing, Ammar, Albuni, ECC, and ATS committed four violations of Section 764.2(h) of the Regulations and are jointly and severally liable for those violations.

Charge 6: 15 C.F.R. § 764.2(h) – Evasion

21. As set forth in Paragraphs 1-4, 11-12, and 15-17, *supra*, which are realleged and incorporated herein, on one occasion between in or about March 2011, and in or about April 2011, Ammar, Albuni, ECC, and ATS engaged in a transaction or took actions with the intent to evade the Regulations in connection with the unlawful export or reexport to Syria of items subject to the Regulations for use by STE. The items included data servers and associated parts that are classified under ECCN 5A002, controlled as Encryption Items for National Security and Anti-Terrorism reasons, or designated EAR99, and valued at approximately \$249,000. Ammar, Albuni, ECC, and ATS knew at all times pertinent hereto that exports or reexports of the items to Syria were prohibited by the Regulations.
22. In so doing, Ammar, Albuni, ECC, and ATS committed one violation of Section 764.2(h) of the Regulations and are jointly and severally liable for that violation.

As to all Respondents except ATS:

Charges 7-8: 15 C.F.R. § 764.2(h) – Evasion

23. As set forth in Paragraphs 1-4 and 13-17, *supra*, which are realleged and incorporated herein, between in or about January 2013, and in or about March 2013, Ammar, Albuni, ECC, and iT-Wave engaged in transactions or took actions with the intent to evade the Regulations in connection with the unlawful export or reexport to Syria of items subject to the Regulations for use by STE. The items were U.S.-origin hard drives designated as EAR99 and valued in total at approximately \$884. Ammar, Albuni, ECC, and iT-Wave knew at all times pertinent hereto that exports or reexports of the items to Syria were prohibited by the Regulations.
24. In so doing, Ammar, Albuni, ECC, and iT-Wave committed two violations of Section 764.2(h) of the Regulations and are jointly and severally liable for those violations.

WHEREAS, Respondents have reviewed the Charging Letter and are aware of the allegations made against them and the administrative sanctions that could be imposed against them if the allegations are found to be true;

WHEREAS, Respondents fully understand the terms of this Agreement and the Order ("Order") that the Assistant Secretary of Commerce for Export Enforcement will issue if he approves this Agreement as the final resolution of this matter;

WHEREAS, Respondents enter into this Agreement voluntarily and with full knowledge of their rights, after having consulted with counsel;

WHEREAS, Respondents state that no promises or representations have been made to them other than the agreements and considerations herein expressed;

WHEREAS, Respondents neither admit nor deny the allegations contained in the Charging Letter; and

WHEREAS, Respondents agree to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree, for purposes of this Settlement Agreement, as follows:

1. BIS has jurisdiction over Respondents, under the Regulations, in connection with the matters alleged in the Charging Letter.

2. The following sanctions shall be imposed against Respondents in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the Charging Letter:

a. Respondents shall be assessed a civil penalty in the amount of \$7,000,000. Respondents are jointly and severally liable for the payment of this civil penalty. Payment of \$250,000 shall be made to the U.S. Department of Commerce in four installments as follows: \$62,500 not later than March 1, 2016; \$62,500 not later than September 1, 2016; \$62,500 not later than March 1, 2017; and \$62,500 not later than September 1, 2017. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$6,750,000 shall be suspended for a period of two years from the date of the Order, and thereafter shall be waived, provided that during this two-year payment probationary period under the Order, Respondent has committed no violation of the Act, or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$250,000 as set forth above. If any of the four installment payments is not fully and timely made, any remaining scheduled installment payments and any suspended penalty may become due and owing immediately.

b. For a period of five (5) years from the date of the Order, Aiman Ammar a/k/a Ayman Ammar, with last known addresses of Princess Tower, Apartment 3803, Al Sufouh Street, Dubai Marina, Dubai, U.A.E., and 1265

Camden Way, Yuba City, CA 95991, and when acting for or on his behalf, his successors, assigns, employees, representatives, or agents, 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:

- i. Applying for, obtaining, or using any license, license exception, or export control document;
 - ii. 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
 - iii. 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.
- c. For a period of six (6) years from the date of the Order, Rashid Albuni, with last known addresses of The Gardens Building 65, Apartment 12, Dubai, U.A.E., and Dubai Silicon Oasis, Office # AG 05-2, Dubai, U.A.E., and when acting for or on his behalf, his successors, assigns, employees, representatives, or agents, 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:

- i. Applying for, obtaining, or using any license, license exception, or export control document;
 - ii. 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
 - iii. 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.
- d. For a period of seven (7) years from the date of the Order, Engineering Construction & Contracting Co., with last known addresses of P.O. Box 25858, Damascus, Syria, and Abu Romana Area, Shahin Building, Ground Floor, Damascus, Syria, and when acting for or on its behalf, its successors, assigns, directors, officers, employees, representatives, or agents, 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:

- i. Applying for, obtaining, or using any license, license exception, or export control document;
- ii. 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
- iii. 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.

e. For a period of seven (7) years from the date of the Order, Advanced Tech Solutions a/k/a Advanced Technology Solutions, with last known addresses of P.O. Box 25858, Damascus, Syria, and Moasa Square, Takriti Building, Fourth Floor, Damascus, Syria, and when acting for or on its behalf, its successors, assigns, directors, officers, employees, representatives, or agents, 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:

- i. Applying for, obtaining, or using any license, license exception, or export control document;
 - ii. 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
 - iii. 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.
- f. For a period of four (4) years from the date of the Order, iT Wave FZCO a/k/a iT-Wave a/k/a ITEX-Wave FZCO, with last known addresses of Dubai Silicon Oasis, Office # AG 05-2, Dubai, U.A.E., and The Gardens Building 65, Apartment 12, Dubai, U.A.E., and when acting for or on its behalf, its successors, assigns, directors, officers, employees, representatives, or agents, 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:

- i. Applying for, obtaining, or using any license, license exception, or export control document;
- ii. 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
- iii. 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.

3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, Respondents hereby waive all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if issued), including, without limitation, any right to: (a) receive an administrative hearing regarding the allegations in any charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if issued; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued. Respondents also waive and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, in connection with any violation of the Act or the Regulations arising out of the transactions identified in the Charging Letter or in connection with collection of the civil penalty or enforcement of this Agreement and the Order, if issued,

from the date of the Order until Respondents have fully and timely paid the civil penalty as set forth in Paragraph 2.a of this Agreement.

4. Respondents shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Charging Letter or the Order. The foregoing does not affect Respondents' testimonial obligations in any proceeding, nor does it affect their 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.

5. BIS agrees that if this Agreement is approved and the Order issues, BIS will, within five business days of the date of the Order, file a notice to withdraw the Charging Letter without prejudice, and further agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a, above, the withdrawal of the Charging Letter will be deemed to be with prejudice and BIS will not refile the Charging Letter.

6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(b) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

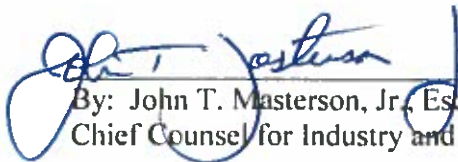
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

9. BIS will make the Charging Letter, this Agreement, and the Order, if issued, available to the public.

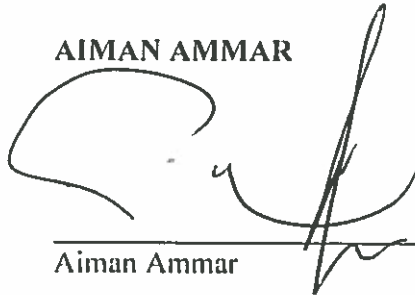
10. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

**BUREAU OF INDUSTRY AND
SECURITY, U.S. DEPARTMENT
OF COMMERCE**


By: John T. Masterson, Jr., Esq.
Chief Counsel for Industry and Security

Date: September 15, 2015

AIMAN AMMAR


Aiman Ammar

Date: September 5, 2015

RASHID ALBUNI


Rashid Albuni

Date: September 5, 2015

**ENGINEERING CONSTRUCTION AND
CONTRACTING CO.**


By: Aiman Ammar,
Managing Director

Date: September 5, 2015

ADVANCED TECH SOLUTIONS


By: Rashid Albuni,
General Manager


Date: September 5, 2015

IT WAVE FZCO


By: Rashid Albuni, Manager

Date: September 5, 2015

Reviewed and approved on behalf of all
Respondents by:


Benjamin H. Flowe, Esq.
Michelle Turner Roberts, Esq.
Daniel M. Fisher-Owens, Esq.
Berliner, Corcoran, and Rowe L.L.P.
Counsel for Respondents

Date: September 14, 2015

NOV - 5 2014



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Industry and Security
Washington, D.C. 20230

CHARGING LETTER

Aiman Ammar (a/k/a Ayman Ammar)
Princess Tower, Apartment 3803
Al Sufouh Street
Dubai Marina, Dubai, UAE

1265 Camden Way
Yuba City, CA 95991

Rashid Albuni
Dubai Silicon Oasis
Office # AG 05-2
Dubai, UAE

The Gardens Building 65
Apartment 12
Dubai 341235, UAE

Engineering Construction & Contracting Co.
P.O. Box 25858
Damascus, Syria

Attn: Aiman Ammar, Managing Director

c/o Aiman Ammar
Princess Tower, Apartment 3803
Al Sufouh Street
Dubai Marina, Dubai, UAE

Advanced Tech Solutions
P.O. Box 25858
Damascus, Syria

Attn: Rashid Albuni, General Manager

c/o Rashid Albuni
Dubai Silicon Oasis
Office # AG 05-2
Dubai, UAE



Aiman Ammar, et al.
Charging Letter
Page 2 of 10

iT Wave FZCO
Dubai Silicon Oasis
Office # AG 05-2
Dubai, UAE

Attn: Aiman Ammar, CEO
Attn: Rashid Albuni, Manager

The Gardens Building 65
Apartment 12
Dubai 341235, UAE

Attn: Rashid Albuni, Manager

Dear Sir/Madam:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Aiman Ammar a/k/a Ayman Ammar ("Ammar"), Rashid Albuni ("Albuni"), Engineering Construction & Contracting Co. ("ECC"), Advanced Technology Solutions a/k/a Advanced Tech Solutions ("ATS"), and iT Wave FZCO a/k/a iT-Wave a/k/a ITEX-Wave FZCO ("iT-Wave") (collectively, "Respondents") have violated the Export Administration Regulations (the "Regulations"),¹ which issued under the authority of the Export Administration Act of 1979, as amended (the "Act").² Specifically, BIS charges the following violations:

As to all Respondents:

**Charge 1: 15 C.F.R. § 764.2(d) – Conspiracy to Export or Reexport to
Syria Computer Equipment and Software Designed for
Use in Monitoring and Controlling Web Traffic**

1. Ammar, Albuni, ECC, ATS, and iT-Wave conspired and acted in concert with others, known and unknown, to bring about or do an act that constitutes a violation of the

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2014). The charged violations occurred in 2010-2011. The Regulations governing the violations at issue are found in the 2010-2011 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2010-2011)). The 2014 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended most recently by the Notice of August 7, 2014 (79 Fed. Reg. 46,959 (Aug. 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).

Regulations. The conspiracy was formed by and among Ammar, Albuni, ECC, and ATS in or about October 2010. iT-Wave joined the conspiracy by no later than in or about January 2013, and the conspiracy continued through at least in or about March 2013. The purpose of the conspiracy was to bring about exports and reexports without the required U.S. Government authorization to Syria, including the Syrian Telecommunications Establishment ("STE"), of computer equipment and software designed for use in monitoring and controlling Web traffic and of other associated equipment. All of these items were subject to the Regulations, and nearly all of them were classified under Export Control Classification Number ("ECCN") 5A002 and controlled for National Security and Anti-Terrorism reasons and as Encryption Items.³ The items exported or reexported to Syria pursuant to the conspiracy were valued in total at approximately \$1.8 million.

2. The United States has a long-standing and widely-known trade embargo against Syria. With the exception of certain medicines and food, no item subject to the Regulations may be exported or reexported to Syria without a Department of Commerce license, as set forth at all times pertinent hereto in General Order No. 2, codified in Supplement No. 1 to Part 736 of the Regulations.⁴
3. In furtherance of the conspiracy, Ammar and Albuni directed activities in and/or from the United Arab Emirates ("U.A.E.") and Syria in a scheme to export or reexport U.S.-origin or U.S.-controlled equipment and software for use in Syria and in several instances to fulfill contracts with the state-run STE. As set forth in further detail below, Albuni negotiated sales, submitted purchase orders, and served as the end user contact for shipments of controlled items while identifying himself as General Manager of ATS, a Syrian company that has been in operations in the U.A.E., and as Manager of iT-Wave, which identifies itself as an internet computer technology company based in the U.A.E. with operations in Syria. Ammar directed payments for the unlawful exports and reexports to Syria from personal and business bank accounts, including payments from the accounts of ECC, a company based in Damascus, Syria. ECC and ATS share the same P.O. Box address in Damascus, Syria, and upon information and belief are related companies. Ammar also identified himself as the Chief Executive Officer of iT-Wave.
4. Both directly and through regional resellers, Ammar, Albuni, ECC, ATS, and iT-Wave arranged for the procurement of U.S.-origin or U.S.-controlled items for use in Syria. Through various entities, these individuals falsely represented, directly and indirectly, to U.S. companies or their authorized distributors or resellers that the items were intended

³ As indicated in the attached Schedule of Violations, a limited number of the items were designated as "EAR99" under the Regulations. EAR99 is a designation for items that are subject to the Regulations, but not listed on the Commerce Control List.

⁴ General Order No. 2 was issued pursuant to the Syria Accountability and Lebanese Sovereignty Restoration Act of 2003. On December 12, 2011, the controls on exports and reexports to Syria were moved to Section 746.9 of the Regulations. The licensing requirements continued unchanged. *See* 76 Fed. Reg. 77,115 (Dec. 12, 2011).

for end users in such locations as Iraq, Afghanistan, Turkey, Egypt and U.A.E, when they actually were intended for Syria, primarily STE.

A. Equipment and Software Unlawfully Procured by Respondents in 2010-2011 for Use in Monitoring and Controlling Web Traffic, including by the Syrian Telecommunications Establishment ("STE")

5. In or about August 2010, Albuni, holding himself out as General Manager of ATS of Damascus, Syria, requested pricing information from a regional reseller for products produced by Blue Coat Systems, Inc., of Sunnyvale, California ("Blue Coat"). The regional reseller provided the order to Computerlinks FZCO, the authorized distributor in the Middle East for Blue Coat. On or about October 29, 2010, Computerlinks FZCO placed with Blue Coat an order for eight devices used to monitor and control web traffic along with accompanying equipment and software. In order to evade the Regulations, Albuni concealed the fact that the items were destined for Syria, by falsely representing to Blue Coat, through Computerlinks FZCO and the regional reseller, that the items were intended for the Iraq Ministry of Telecom, and provided his personal email address as the end user contact, which also did not indicate a Syrian location. Upon receiving the order, Blue Coat reexported the items from its facility in the Netherlands to Computerlinks FZCO in the U.A.E. On or about December 15, 2010, Computerlinks FZCO directed the items' transfer within the U.A.E. for their subsequent shipment to ECC in Damascus, Syria, for use by the state-run STE. A shipping request notice identified Ammar as the point of contact at ECC for the shipment.
6. On or about December 31, 2010, using the same reseller and distributor channel as for the October 29, 2010 order, a second order was placed for six of the same Blue Coat devices, again with false information being provided indicating that the items were intended for the Iraq Ministry of Telecom and listing the end user contact as Albuni, when the items were in fact destined for Syria. Upon receiving the order, Blue Coat shipped the items from the United States to Computerlinks FZCO in the U.A.E. On or about February 9, 2011, Computerlinks FZCO directed that three of the six devices be transferred within the U.A.E. for their subsequent shipment to ECC in Damascus, Syria. In an airway bill dated February 10, 2011, the freight forwarder identified Ammar as the point of contact for ECC in Damascus, Syria.
7. To satisfy outstanding bills to Computerlinks FZCO for the items for which they falsely stated were for use in Iraq, Ammar and Albuni directed or arranged four wire transfers to Computerlinks FZCO between February 2, 2011, and May 17, 2011. In April 2011, an intermediary connected with these shipments requested that Albuni arrange in conjunction with Ammar for payment of a large outstanding balance owed to Computerlinks FZCO. Ammar had previously made a wire transfer as an initial deposit payment to Computerlinks FZCO on February 2, 2011. Ammar directed a second payment from ECC on April 13, 2011, and made two additional wire transfer payments from an account in his name in Damascus, Syria, on May 12 and 17, 2011.

8. On or about May 15, 2011, using a similar reseller and distribution channel, an order was placed for five more devices, along with accompanying equipment and software, from Blue Coat, this time falsely stating that the items were intended for Liwalnet, an Internet service provider in Afghanistan, when in fact the items were again destined for Syria. After the items arrived in the United Arab Emirates from the Netherlands, on or about May 26, 2011, Computerlinks FZCO directed its freight forwarder to consolidate the remaining three of the six devices and software from the December 31, 2010 order, along with the five devices and software from the May 15, 2011 order, and transfer the ownership of all eight devices and the accompanying equipment within the U.A.E. After the transfer of ownership, Albuni, identifying himself as General Manager of ATS, directed the subsequent shipment of the items to Syria.
9. Finally, on or about June 5, 2011, an order was placed for three additional Blue Coat devices, along with accompanying equipment and software, this time falsely stating that the items were destined purportedly for Turkey for a company named Turkish Marine Services, when the items were in fact destined for Syria. After the items arrived in the U.A.E. from the Netherlands, on or about June 27, 2011, Computerlinks FZCO directed its freight forwarders to transfer ownership of the items within the U.A.E. Albuni in his capacity as General Manager of ATS directed the freight forwarder to ship to him at ATS, which has the same address as ECC in Syria.
10. ECC paid for the May and June orders by two wire transfers dated, respectively, July 12 and 14, 2011.

B. Additional Equipment Unlawfully Procured by Respondents in 2011 for Use by STE

11. On or about March 24, 2011 Albuni, notified a different regional reseller that ATS had received an STE contract and needed assistance in placing orders for the Brocade ServerIron ADX 1000 and related items. These items distribute network or application traffic (load balance) across a number of servers to increase capacity and reliability of applications for networks and large enterprise data centers. On March 27, 2011, an employee of this regional reseller indicated that he was negotiating about the order with Mindware, Brocade's authorized reseller in the Middle East, and that he had requested that the reseller ask Brocade to start the manufacturing process so that the items could be delivered in six weeks. After receiving the regional reseller's invoice, Albuni secured payment for the items from Ammar, who, on or about May 10, 2011, directed payment to the regional reseller for the order from ECC's bank account.
12. When Brocade, the U.S. manufacturer, requested end user information in conjunction with its approval of the order on or about April 11, 2011, false information was provided indicating that the end user was a company in Egypt, when in fact the items were destined for STE in Syria. When the order arrived in the U.A.E. in early May 2011, a co-conspirator traveled from Damascus to Dubai to inspect the shipment and found the shipment to be acceptable. Albuni received confirmation that the shipment was eventually delivered to Syria on or about May 17, 2011.

C. Hard Drives Unlawfully Procured by Respondents in 2013 for Use by STE

13. Subsequently, STE identified to Albuni at ATS and iT-Wave hard drive issues relating to three products, some of which were items exported or reexported in 2010-2011 as part of the conspiracy. On or about January 29, 2013, Albuni, identifying himself as a representative of iT-Wave, placed orders with a U.S. company for three hard drives, falsely stating that the items were intended for iT-Wave in Dubai, U.A.E., when in fact the items were destined for STE in Syria. On or about January 30, 2013, the hard drives were shipped from the United States to the U.A.E. to a ship to and bill to address for iT-Wave in Dubai, U.A.E., and transshipped to Syria after their arrival in Dubai. The hard drives arrived in Damascus, Syria, in early March 2013.
14. Following the failure of additional hard drives, STE sought to acquire more hard drives through Albuni. On or about March 6, 2013, Albuni, holding himself out as a representative of iT-Wave, placed another order with the same U.S. company for the same type of hard drives, again falsely stating that the items were intended for iT-Wave in Dubai, U.A.E., when in fact the items were destined for STE in Syria. On or about the same day, the hard drives were shipped from the United States to iT-Wave in Dubai and transshipped to Syria after their arrival in the U.A.E. Financial records maintained by Ammar, who served both as CEO of iT-Wave and Managing Director of ECC, indicate that ECC paid for the transport of the hard drives from Dubai to Damascus, Syria, for use by STE.

D. Knowledge

15. As set forth above, Respondents knew at all pertinent times hereto that the items were destined for end users in Syria, as evidenced by, inter alia, discussions among and between Respondents, the resellers and the forwarders that indicated the final destination was Syria, shipping documents showing Syria as the ultimate destination, and wire transfer payment made from Syria for the items.
16. Respondents also knew in connection with all of the transactions alleged herein that exports and reexports of the items to Syria were prohibited by the United States' trade embargo against Syria. For example, in an interview with BIS and the Department of Homeland Security special agents on or about August 6, 2013, Ammar admitted that he was "one hundred percent" aware of U.S. sanctions on Syria and stated that "[b]efore the sanctions started, I worked for this American company . . . and when the sanctions started, they told me to Syria we cannot ship." During this interview, he presented a business card identifying himself as Managing Director of ECC, as well as a business card identifying himself as CEO of iT-Wave. Albuni, in turn, was aware of U.S. sanctions on Syria, which prevented U.S. companies from having registered partners in Syria, by no later than in or about October 2009. Moreover, in November 2010, Albuni indicated to a co-conspirator that he knew that there were problems shipping to Syria and

suggested placing STE orders through a regional reseller, falsely stating that the items were for an Iraq project.

17. As also set forth above, Ammar and Albuni managed and/or controlled ECC, ATS, and iT-Wave, through which they and their other co-conspirators, named and unnamed, acted in concert pursuant to a scheme involving a series of transactions to evade the Regulations.

18. In so doing, Ammar, Albuni, ECC, ATS, and iT-Wave each violated Section 764.2(d) of the Regulations.

As to all Respondents except iT-Wave:

Charges 2-5: 15 C.F.R. § 764.2(h) – Evasion

19. As set forth in Paragraphs 1-10 and 15-17, *supra*, which are realleged and incorporated herein, and as set forth in further detail in the attached schedule of violations, which is incorporated herein, on four occasions from on or about October 29, 2010, through in or about July 2011, Ammar, Albuni, ECC, and ATS engaged in transactions or took actions with intent to evade the Regulations in connection with the unlawful export and reexport to Syria of items subject to the Regulations. The items included equipment and software designed for use in monitoring and controlling Web traffic that are classified under ECCN 5A002, controlled for National Security and Anti-Terrorism reasons and as Encryption Items, and valued at \$1,548,959. Respondents knew at all pertinent times hereto that exports and reexports of the items to Syria were prohibited by the Regulations.

20. In so doing, Ammar, Albuni, ECC, and ATS committed four violations of Section 764.2(h) of the Regulations and are jointly and severally liable for those violations.

Charge 6: 15 C.F.R. § 764.2(h) – Evasion

21. As set forth in Paragraphs 1-4, 11-12, and 15-17, *supra*, which are realleged and incorporated herein, and as set forth in further detail in the attached schedule of violations, which is incorporated herein, on one occasion between in or about March 2011, and in or about April 2011, Ammar, Albuni, ECC, and ATS engaged in a transaction or took actions with the intent to evade the Regulations in connection with the unlawful export or reexport to Syria of items subject to the Regulations for use by STE. The items included data servers and associated parts that are classified under ECCN 5A002, controlled as Encryption Items for National Security and Anti-Terrorism reasons, or designated EAR99, and valued at approximately \$249,000. Ammar, Albuni, ECC, and ATS knew at all times pertinent hereto that exports or reexports of the items to Syria were prohibited by the Regulations.

22. In so doing, Ammar, Albuni, ECC, and ATS committed one violation of Section 764.2(h) of the Regulations and are jointly and severally liable for that violation.

As to all Respondents except ATS:

Charges 7-8: 15 C.F.R. § 764.2(h) – Evasion

23. As set forth in Paragraphs 1-4 and 13-17, *supra*, which are realleged and incorporated herein, and as set forth in further detail in the attached schedule of violations, which is incorporated herein, between in or about January 2013, and in or about March 2013, Ammar, Albuni, ECC, and iT-Wave engaged in transactions or took actions with the intent to evade the Regulations in connection with the unlawful export or reexport to Syria of items subject to the Regulations for use by STE. The items were U.S.-origin hard drives designated as EAR99 and valued in total at approximately \$884. Ammar, Albuni, ECC, and iT-Wave knew at all times pertinent hereto that exports or reexports of the items to Syria were prohibited by the Regulations.

24. In so doing, Ammar, Albuni, ECC, and iT-Wave committed two violations of Section 764.2(h) of the Regulations and are jointly and severally liable for those violations.

* * * * *

Accordingly, Respondents are hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

- The maximum civil penalty allowed by law of up to the greater of \$250,000 per violation or twice the value of the transaction that is the basis of the violation;⁵
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If any of the Respondents fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. *See* 15 C.F.R. §§ 766.6 and 766.7. If any of the Respondents defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Respondents. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

⁵ International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

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Respondents are further notified that a respondent is entitled to an agency hearing on the record if that respondent makes a written demand for such a hearing in his or its answer. *See* 15 C.F.R. § 766.6. Each Respondent also is entitled to be represented by counsel or other authorized representative who has power of attorney to represent said respondent. *See* 15 C.F.R. §§ 766.3(a) and 766.4.

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should any Respondent have a proposal to settle this case, the Respondent or his or its representative should transmit the proposal to the attorneys representing BIS named below.

Respondents are further notified that under the Small Business Regulatory Enforcement Flexibility Act, they may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Respondents' answers must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

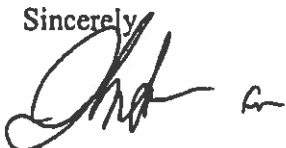
U.S. Coast Guard ALJ Docketing Center
40 S. Gay Street
Baltimore, Maryland 21202-4022

In addition, a copy of an answer to the charges by any or all of the Respondents must be served on BIS at the following address:

Chief Counsel for Industry and Security
Attention: R. Elizabeth Abraham and Brian Volsky
Room H-3839
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

R. Elizabeth ("Liz") Abraham and Brian Volsky are the attorneys representing BIS in this case; any communications that Respondents may wish to have concerning this matter should occur through them. Ms. Abraham and Mr. Volsky may be contacted by telephone at (202) 482-5301.

Sincerely,



Douglas R. Hassebrock
Director
Office of Export Enforcement

Schedule of Violations

Charge(s)	Commodity/ECCN	Destination	Value
1	See Charges 2-8 below	Syria	\$ 1,798,843
2	Network hardware and software/5A002	Syria	\$ 646,977
3	Network hardware and software/5A002	Syria	\$ 415,764
4	Network hardware and software/5A002	Syria	\$ 347,859
5	Network hardware and associated equipment/5A002 and EAR99	Syria	\$ 138,359
6	Network hardware/5A002	Syria	\$ 249,000
7-8	Hard Drives/EAR99	Syria	\$ 884