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BUREAU OF INDUSTRY AND SECURITY

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Commerce Department Denies Export Privileges of Package Forwarding Company USGoBuy

WASHINGTON, D.C. - The Department of Commerce's Bureau of Industry and Security (BIS) has [imposed a three-year denial order](#) against USGoBuy LLC of Portland, Oregon, prohibiting USGoBuy from participating in all exports under BIS jurisdiction from the United States. BIS activated this denial order—originally included as a suspended penalty pursuant to a 2021 settlement agreement with USGoBuy that resolved previous alleged violations of the Export Administration Regulations (EAR)—due to USGoBuy's continued violations of the EAR and failure to address its past compliance failures.

USGoBuy is a package forwarding company that allows non-U.S.-based customers to purchase items online from U.S. retailers and have those items shipped to the company's warehouse in Oregon. USGoBuy then consolidates and re-packages the items for export from the United States.

“If a forwarding company – with an entire business model based on exports – fails to implement an adequate compliance program even while subject to a suspended denial order, it should not be able to export items subject to the EAR from the United States,” said **Assistant Secretary for Export Enforcement Matthew S. Axelrod**. “Let this denial order serve as a warning: if you don't follow the terms of our administrative settlement and you lack a robust compliance department, you may lose the ability to export at all.”

On June 17, 2021, USGoBuy entered into a settlement agreement with BIS to resolve two alleged violations of the EAR involving unlicensed exports of riflescopes to end users in China and the United Arab Emirates. As part of the settlement agreement, USGoBuy agreed to a three-year suspended denial order, which BIS could activate if the company failed to meet the terms of the settlement agreement or committed additional violations of the EAR during the suspended denial period. The settlement agreement required USGoBuy to conduct an audit of its export control compliance program covering the 12-month period after the agreement and to provide a detailed plan of corrective actions if the audit identified any violations.

The required audit identified significant continued deficiencies in USGoBuy's export compliance program and revealed apparent violations of the EAR that occurred after the company entered into the settlement agreement with BIS. Specifically, the audit identified 176 failures to make Electronic Export Information filings and additional exports for which USGoBuy failed to maintain adequate records as required by the EAR. Despite these violations and the significant and continued compliance failures identified through the audit, USGoBuy did not implement corrective actions to address these issues.

After the audit period, in November 2022, Homeland Security Investigations (HSI), in coordination with BIS, interdicted a shipment of an export-controlled item being sent to USGoBuy's Oregon warehouse for a customer located in China. BIS and HSI added conspicuous labels to the shipping box stating that an export license was required, and replaced the item with one that did not require authorization. Despite the export control markings, USGoBuy exported the package to China the same day that it was received.

As a result of this conduct, BIS has exercised its discretion to activate the suspended denial order against USGoBuy for a period of three years.

“Package forwarding companies cannot turn a blind eye to their requirements under the EAR,” said **Office of Export Enforcement (“OEE”) Director John Sonderman**. “U.S. exporters are required to take reasonable steps to identify whether authorization is required for their exports and to obtain authorization when necessary. USGoBuy did not do this despite being aware of its obligations under the EAR and despite being subject to probationary requirements pursuant to the 2021 settlement agreement. BIS will respond aggressively to companies that knowingly fail to comply with the EAR.”

Denial Orders are some of the most significant civil sanctions BIS can issue, cutting off not only the right to export items subject to the EAR from the U.S., but also the right to receive or participate in exports from the United States or reexports of items subject to the EAR. The Assistant Secretary's order denies all of the export privileges described in section 764.3(a)(2) of the EAR, which include (but are not limited to) applying for, obtaining, or using any license, license exception, or export control document, or engaging in or benefitting from such transactions.

The Order is available online [here](#).

Additional Information

BIS actions are taken under the authority of the Export Control Reform Act of 2018 (50 U.S.C. §§ 4801-4852) and its implementing regulations, the EAR. BIS controls exports of dual-use commodities, technology, and software for reasons of national security, missile technology, nuclear non-proliferation, chemical and biological non-proliferation, crime control, and regional stability. Criminal and administrative sanctions can be imposed for violations of the EAR. Under

the Export Control Reform Act of 2018, among other possible administrative sanctions, administrative monetary penalties can reach up to \$364,992 per violation or twice the value of the transaction, whichever is greater. For more information, please visit <https://www.bis.gov/enforcement>.

Report suspected export control violations through the BIS [online tip portal](#). You can also call the Enforcement Hotline at 1-800-424-2980 or email EELead@bis.doc.gov.