

ORIGINAL

FEDERAL MARITIME COMMISSION

**AAA NORDSTAR LINE INC. -
REVOCATION OF LICENSE No. 012234**

Docket No. 01-1 1

Served: April 5, 2002

Report and Order Revoking License No. 012234.

BY THE COMMISSION: (Harold J. Creel, Jr., Chairman;
Joseph E. Brennan, and Delmond J.H. Won, *Commissioners*.
Commissioner John A. Moran not participating.)

ORDER

This proceeding was initiated by an Order to Show Cause ("Order") issued to AAA Nordstar Line Inc. ("Respondent" or "AAA Nordstar"). The Order directed Respondent to show cause why the Commission should not revoke its ocean transportation intermediary ("OTI") license inasmuch as the officers, directors, or other principals, employees or agents of Respondent have been found to have violated provisions of the Shipping Act of 1984 ("Shipping Act"), 46 U.S.C. app. § 1701 et. seq., or other shipping statutes or regulations related to carrying on the business of an OTI. Order at 1.

The Order identified the principals of AAA Nordstar as Anil V. Rane, President and Qualifying Individual, and Maria E. Fabros, Vice President and Secretary. The Order further identified

Mr. Rane and Ms. Fabros as officers and/or shareholders of Great Eastern Shipping, Inc. ("Great Eastern Shipping"), an entity engaged in the transportation of military household goods pursuant to contracts with the U.S. Military Traffic Management Command ("MTMC"). Id. It appeared that Great Eastern Shipping was sharing office space with Respondent in Rahway, NJ and other possible locations. It further appeared that Great Eastern Shipping held itself out to the public as the agent of Respondent. Order at 2.

On July 26, 2001, Mr. Rane pled guilty to one federal count of mail fraud and one federal count of conspiracy to commit mail fraud in the United States District Court for the District of New Jersey. Id. On September 14, 2001, Ms. Fabros also pled guilty to one federal count of mail fraud and one federal count of conspiracy to commit mail fraud. Id. It was asserted that Mr. Rane and Ms. Fabros routinely overbilled MTMC and also falsified documents to make it appear that Great Eastern Shipping was using U.S.-flag vessels when it was actually using foreign-registered vessels, contrary to U.S. shipping laws and the applicable MTMC shipping contracts. Id. Both Mr. Rane and Ms. Fabros were sentenced to jail time and extended court supervision upon subsequent release and further agreed to make financial restitution to the government in the amount of \$4,323,673.79. Id.

RESPONSE

In the instant case, Respondent acknowledged its receipt of the Order in a letter to the Commission dated November 30, 2001. See Respondent's Response Letter at 1. Respondent also waived its right to file affidavits or a formal legal brief contesting the factual allegations set forth in the Order. Consequently, Respondent consented to the revocation of its OTI license and enclosed the original of License No. 012234 for return to the Commission. Id. Furthermore, Respondent indicated that it was in the process of cancelling its tariff and OTI bond. Id.

DISCUSSION

Section 19(a) of the Shipping Act provides that: “[n]o person in the United States may act as an ocean transportation intermediary unless that person holds a license issued by the Commission. The Commission shall issue an intermediary’s license to any person that the Commission determines to be qualified by experience and character to act as an ocean transportation intermediary.” Furthermore, the Commission’s regulations at 46 C.F.R. § 515.16(a) provide that a license may be revoked or suspended after notice and an opportunity for a hearing for any of the following reasons:

- (1) Violations of any provision of the Act, or any other statute or Commission order or regulation related to carrying on the business of an ocean transportation intermediary;
- (2) Failure to respond to any lawful order or inquiry by the Commission;
- (3) Making a materially false or misleading statement to the Commission in connection with an application for a license or an amendment to an existing license;
- (4) Where the Commission determines that the licensee is not qualified to render intermediary services; or
- (5) Failure to honor the licensee’s financial obligations to the Commission.

The Order alleged that Respondent made materially false or misleading statements to the Commission in applying for and conducting business under its OTI license. See Order at 5. It alleged that Respondent subsequently failed to correct such omissions or otherwise advise the Commission of changes in material facts relating to its operations and the qualifications of its management. Id. Specifically, these allegations include, inter alia, common management, ownership and space sharing arrangements

between AAA Nordstar and Great Eastern Shipping; failure to disclose or obtain additional financial responsibility with respect to operation of branch offices in Florida and California; failure to disclose all current officers and/or directors of AAA Nordstar; and failure to disclose changes in material facts relating to the convictions of Mr. Rane and Ms. Fabros. Id.

In light of Respondent's concessions outlined above, we are revoking Respondent's license to act as an OTI and forbidding Respondent from operating as an OTI in the future. While Respondent has acquiesced to its license revocation and returned its license, we believe it is necessary to issue this order revoking its license to ensure that Respondent will be forbidden from operating as an OTI in the future. Furthermore, Respondent's tariff has been canceled.

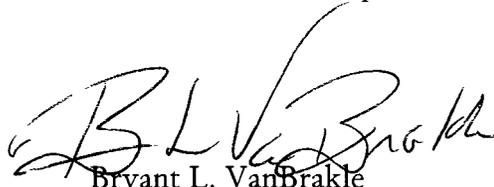
This order revoking Respondent's OTI license and forbidding Respondent from operating as an OTI will ensure that the shipping public as well as those OTIs operating legitimate businesses are protected .

THEREFORE, IT IS ORDERED, That Respondent's license to act as an OTI is revoked;

IT IS FURTHER ORDERED, That Respondent is forbidden from acting as an OTI; and

IT IS FURTHER ORDERED, That this proceeding is discontinued.

By the Commission.


Bryant L. VanBrakle
Secretary